Economic Development Corporation Board Orientation Handbook

January 2024

PRINCETON TEXAS

PRINCETON ECONOMIC DEVELOPMENT CORPORATION

Board Orientation Handbook

January 2024

Version 1.0

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HELLO & WELCOME!

Welcome to the Princeton Economic Development Corporation (PEDC)! We are delighted you have been appointed to the PEDC Board of Directors! As you become familiar with our culture and mission, our goal is to provide you with all the information, tools, and resources needed to be a successful board member.

You have been appointed to an organization that has a reputation for outstanding leadership, innovation, and expertise. PEDC employees use their creativity and talent to invent new solutions, meet new demands, and offer the most effective services/products in the industry. With your active leadership, creativity, and support, the PEDC will continue to achieve its goals. We sincerely hope you will take pride in being an important part of PEDC's success.

The material contained in this Board Handbook will provide you with a basic introduction to the "Texas Type A Corporation" or Economic Development Corporation. The EDC is unlike other City boards. You are part of a unique separate corporate board that serves as a component entity to the City of Princeton to provide economic development programs and initiatives. *THIS IS NOT A DEPARTMENTAL APPROVAL BOARD OF THE CITY.* This distinction is very important to understand as your roles, responsibilities and authority as a Board member are critical to the Corporations' success. Please take time to review the policies contained in this handbook. Please reach out to the PEDC CEO if you have ANY questions.

WELCOME!

PURPOSE OF THIS DOCUMENT

This PEDC Board of Directors Handbook is a compilation of important information, policies, and procedures that you, a board member of the PEDC, are critical to understand as it relates to your new board responsibilities and expectations.

This resource is designed to introduce you to the organization as well as your roles and responsibilities as a board member of the PEDC. If you have any questions, please feel free to reach out to the chairman of the board or the PEDC Chief Executive Officer for further explanation.

NEW MEMBER ORIENTATION

A PEDC staff member will be in contact to schedule individual time with you to walk you through our onboarding process for new board members.

CONTACT INFORMATION

Your day-to-day contact information for the Princeton Economic Development Council will be the PEDC President and the Princeton EDC Coordinator. Contact information is below.

TBD
CEO
O: (xxx) xxx-xxxx
C: (xxx) xxx-xxxx
XXXXX@princetonedc.us

DeShawyna Walker
EDC/CDC Coordinator
O: (972) 736-2416 x 365
C: (469) 406-2312
dwalker@princetontx.us

BOARD MEETING LOCATIONS

Board meetings are the ***FIRST Monday*** of each month at 6:00pm.

LOCATION:
Princeton City Hall – Council Chambers
2000 E. Princeton Dr.
Princeton, TX 75407

SCHEDULED MEETINGS FOR 2024

January: January 3, 2024 (Special Meeting)
February: February 5, 2024 (Regular Meeting)
March: March 4, 2024 (Regular Meeting)
April: April 1, 2024 (Regular Meeting)
May: May 6, 2024 (Regular Meeting)
June: June 3, 2024 (Regular Meeting)
July: July 1, 2024 (Regular Meeting)
August: August 5, 2024 (Regular Meeting)
September: TBD
October: October 7, 2024 (Regular Meeting)
November: November 4, 2024 (Regular Meeting)
December: December 2, 2024 (Regular Meeting)

PEDC BYLAWS

The PEDC Bylaws are the governing documents for the Princeton Economic Development Corporation. A copy of the Bylaws is included in your orientation packet in the Appendix . Please take the time to read them.

TEXAS "TYPE A" STATUTES

The PEDC is a Texas "Type A" Not-for-Profit organization. We are governed by state statutes that define how and what our revenue can be spent. A copy of the statutes is included in the Appendix.

PEDC VISION STATEMENT

The Princeton Economic Development Corporation is committed to establishing and maintaining the City of Princeton as a regional leader in economic vitality, business sustainability, and positive social impact by identifying and capitalizing on economic opportunities, both entrepreneurial and corporate, which drive innovation, promote job creation, and enhance the quality of life for our community and its citizens.

PEDC MISSION STATEMENT

The mission of the Princeton Economic Development Corporation is to drive sustainable economic growth, foster innovation, support our future workforce, and enhance the businesses within our community. Through strategic initiatives, advocacy, and business-friendly policies, we strive to create an environment that encourages investment, nurtures talent, and fosters economic diversity. By providing targeted resources, access to capital, and incentives, we are committed to empowering businesses, small and large, to thrive and contribute to the long-term economic vitality of our community.

The Princeton Economic Development Corporation is committed to moving toward a strong focus on technology, innovation, strategic planning, targeted initiatives, and true stakeholder collaborations. We strive to identify and capitalize on economic opportunities, such as innovation, job creation, improved community amenities, and entrepreneurship to drive outside investments into our community. We prioritize supporting industries that not only align with our community's strengths and values, but also focus on sustainable practices, technology integration, and social responsibility. We continue to work towards building strong relationships with educational institutions, government agencies, and community leaders to foster a thriving ecosystem.

PRINCETON EDC CORE VALUES

An organization built on providing the highest levels of service is our goal. We believe creative and innovative employee minds working together will yield far better results than a hierarchical model where all decisions are made at the top of the organization. The success of our EDC depends on a unified organizational vision and leadership philosophy, as well as collaboration and problem-solving.

The core values of the Princeton Economic Development Corporation are; ***Honesty, Integrity, Professionalism and Excellence***. Board members and staff alike are expected to uphold our core values at all times while representing the PEDC.

HONESTY.

Transparency is key to maintaining trust in our community. We will never hide from the truth even if it means admitting we made a mistake.

INTEGRITY.

We model ethical behavior and hold ourselves and our co-workers to high ethical standards to build trust and assurance in ourselves, our organization, and our community.

PROFESSIONALISM.

Both the Board and EDC Staff endeavor to follow the current standards and practices of our profession and keep up with the latest knowledge and skills to provide the highest levels of service to our clients and community.

EXCELLENCE.

We are always searching for opportunities to learn and grow, are accountable for our work and always do our very best. We are responsible stewards who embrace innovation, efficiency, and improvement.

PEDC ORGANIZATIONAL OVERVIEW

The PEDC is a Texas Type A, Not-for-Profit organization. The Type A and B organizations were set in place by the Texas legislature to leverage a half-cent sales tax to support economic development. Our organization, Type A, is responsible primarily for **new business attraction and existing business expansion**. We are also able to participate in **economic development-related infrastructure projects and marketing initiatives that promote economic development**.

PEDC Organizational Structure:

The PEDC is governed by seven city council appointed board of directors. The Board of Directors is responsible for hiring and management of the PEDC President. The PEDC President governs the employees of the PEDC and day-to-day operations.

PEDC Employees:

- *PEDC President:* The PEDC President is the chief officer of the economic development corporation. Their role is to lead the overall PEDC team, develop strategic directions and initiatives, and maintain positive relationships with the board, community, and PEDC stakeholders.
- *Princeton EDC/CDC Coordinator:* The Coordinator position to both the EDC and CDC corporations is responsible for the administrative and management functions of the organizations. Scheduling and organization of board meetings and internal project tracking.

PEDC & The City of Princeton:

While the PEDC is a separate corporate entity from the City of Princeton, we are a component department of the overall city departmental structure. The PEDC contracts out city services to provide management of our Finances, Human Resources, Information Technology, and other related city services. We pride ourselves in our partnership with the City and endeavor to maintain the highest levels of relationships across city departments.

PEDC KEY TERMS & DEFINITIONS

There is a large learning curve in economic development that can be overwhelming at first. This is a cheat sheet of important terms and items that relate to your which you will frequently encounter.

- **Texas Type A Organization:** The PEDC is a Texas Type A not for profit organization enacted by the Texas Legislature to promote economic growth within a municipality. The organization is enacted by voter referendum to leverage a half cent (.05) sales tax that is the sole funding source of the organization. The PEDC is **NOT** funded by City Property Tax. The residents of Princeton voted the PEDC into existence in 2006.
- **Regular Open Session Board Meeting:** The monthly regular session board meeting is a public meeting where the organization reports and conducts business monthly.
- **Executive Session Board Meeting:** After conducting our regular monthly open session business items, the board may adjourn into a closed session (not open to the public) meeting to discuss the details of our confidential projects and incentive applications. All items discussed in the closed session are highly confidential and cannot be talked about outside the executive session meeting by board members. Members of the public or project representatives are NOT permitted to attend executive session meetings.
- **Incentives:** The financial support that the PEDC and/or City of Princeton provide to a project. All incentives are in the form of performance grants or reimbursements.

- **Performance Grant:** A performance grant is the terms in which an incentive or grant is issued. Specific metrics or milestones are set In order to receive or award the financial support.
- **Claw back:** In the event that a project defaults or fails to meet a metric or milestone, the PEDC and/or city may have to take back a portion of, or all, of the awarded incentives to a project.
- **Capital Investment:** Known as CAP-X, is the dollar amount of the proposed project that relates to the cost of the physical construction of a facility. The PEDC only considers "Hard Costs" of projects in the capital investment calculation. Hard Costs refer to costs associated with construction and buildout of a facility. Land Costs, Design Cost, Permitting and Fees are not considered Hard Costs.
- **Primary Job Creation Grant:** The Texas Code 501 denotes the types and classification of jobs that the PEDC can provide job incentive grants for. They use the *North American Industry Classification System* (NAICS) codes to denote which types on jobs are eligible for jobs grants.
- **Chapter 380 Agreement:** Separate from the financial support the PEDC provides to a project from our Sales Tax Dollars. The City of Princeton uses Chapter 380 agreements to reimburse actual property tax or collected sales tax back to the project as an additional incentive. This requires separate approval by the City Council and is not heard by the PEDC board of directors.
- **Chapter 312 Agreement:** Another incentive that can be offered by the City of Princeton is the Ch.312 Agreement which can provide a Tax Abatement to a project for a maximum term of 10-years. This is approved and heard by the City Council and not by the PEDC Board.
- **Conflict of Interest:** Any board member that has an economic interest greater than 10 percent, does business with, or has relatives that are employed with a potential project must recuse themselves from the discussion and vote on a project approval.
- **Targeted Industry:** Industries that are preferred by the board of directors for PEDC investment.

PEDC Targeted Industries:

- **Manufacturing**
    - **Distribution**
    - **Suppliers**
    - **Pharmaceutical**
- **Transportation**
    - **Distribution Centers**
    - **Product Suppliers**
    - **Pharmaceutical Suppliers**
- **Travel and Tourism**
- **Information Technology and Data**
    - **Data Processing**
    - **Robotics/Software Engineering**
- **Aeronautics and Aviation Services**
    - **Aircraft Maintenance, Repair, Overhaul**
- **High Value Business Services**
    - **Customer Service Centers**
    - **Corporate, Subsidiary, Regional Management Offices**
    - **Finance or Insurance Support Offices**
    - **Office Administrative Services**
- **Medical**
    - **Offices**

- **Office Support**
- **Product Manufacturing**

There are many more terms that will come up, but these are usually some of the more frequent questions asked by new board members.

ESSENTIAL BOARD RESPONSIBILITIES & DUTIES

As a board member of the PEDC, you serve a critical role in shaping the future of our city. The Economic Development and Community Development Corporations were enacted by the voters of Princeton to provide the critical resources needed to support economic and community growth. As the approving body for these resources, your vote matters in every project that comes before the organization. Your duties as a board member fall into four main categories.

1. **PROJECT EVALUATION AND ADJUTICATION:**
   Every month the staff of the PEDC will bring before the board the various economic development projects that they have been developing through lead generation and attraction initiatives. At the monthly board meeting, these projects will be presented to the board in executive session for consideration to invest PEDC resources to bring this project to the city. The President and staff will present recommendations based on established criteria that has previously been approved. Your role is to independently evaluate the project for merit and vote in the affirmative or negative with guidance based on the previously approved policies or criteria to move forward with the project. Some flexibility exists when a project does not necessarily fit within the general metrics or criteria established based on the overall benefit to the City, the direction of City Council as the body that appoints the board or factors that the board determines important to the overall economic development of the City of Princeton as a whole.

2. **ORGANIZATIONAL CONSULTANT:**
   The overall organizational strategy and direction of the PEDC is a result of staff expertise combined with Board member input throughout the year. This input comes through the participation in subcommittees, board retreats and by providing observable feedback to the PEDC president and board chair throughout your term with recommendations and constructive feedback.

3. **GOVERNANCE:**
   The PEDC President reports directly to the Board of Directors. The Board is responsible for the Annual Review of the Presidents leadership and operational execution of the organization. This may include from time to time the selection of a new PEDC executive in the event the current executive leaves or is removed from their position. In addition to management and oversight of the PEDC Executive role, you as a board member will govern the organizational structure of the Economic Development Corporation via the Bylaws and Policies and Procedures. Revision and additions to these governance documents require board approval.

4. **COMMUNITY ADVOCATE:**
   You are a board member of Princeton Economic Development Corporation. In every aspect, a primary

goal is to support the City of Princeton, the Princeton Economic Development Corporation and greater DFW metro in the creation of viable economic development projects for our region.

BOARD MEMBER EXPECTATIONS

There is a set of standards for PEDC board members to adhere to in order to demonstrate professionalism at all times.

- In all manners, act with honesty, integrity, and professionalism.
- Show up for PEDC board meetings. Board meetings are held on the first Monday of every month. Board members are expected to be present for all meetings or notify the President in the event of a conflict.
- Never engage in public harmful conversations or rhetoric that defames or undermines the strategic direction, consensus of the board of directors or city council, staff, or leadership of the PEDC.
- Maintain confidentiality of all closed session project information. Never talk to the press about a project that has not been announced as it may lead to litigation for breach of confidentiality by the project.
- If you receive correspondence (email, text) from more than 2 other board members that relates to an active project, do not "REPLY ALL" as you have participated in a quorum of the board which can be deemed official action outside a public meeting. This is illegal.
- Never schedule private meetings with more than two other board members to talk about business items without informing the PEDC President or Chairman of the board.
- Avoid social media traps around controversial developments in the city that could be used against the organization.
- Other than meals, never except gifts or favors from developers that we currently have active projects with.
- Refrain from scheduling meetings with staff of the PEDC regarding operational issues, or projects without informing the President. The Board's role does not include day to day oversight of operational matters of individuals other than the President.

DRESS CODE

3.6 DRESS CODE: The dress code for all meetings shall be business casual.

Please keep in mind that when sitting on the dais, attending city/state events, or appearing at meetings on behalf of the Princeton Economic Development Corporation, your appearance is a direct reflection of the City of Princeton and the Board upon which you serve. The dress code of business professional or business casual is not optional. When in doubt, please feel free to wear the board polo shirt you were provided with. If your polo shirt no longer works (doesn't fit/damaged)please advise your EDC Coordinator so another may be ordered for you.

Appropriate attire includes:

- Slacks, non-ripped jeans, and pantsuits

- Collared shirts
- Dresses and skirts

Unacceptable attire includes:

- Shorts or cutoffs
- Frayed, torn, worn, and/or unclean clothing
- Pajamas or sleepwear
- Pants worn below the waistline (drooping / saggy pants)
- Flip-flop style shoes
- T-shirts, muscle shirts, tank tops, tube tops, and halter tops
- Athletic / gymnasium attire (sweatpants, sweatshirts, etc.)
- Caps and hats
- Clothing indicating or containing offensive, vulgar, racist, sexist, or obscene language or photos

PEDC BUSINESS CARD

Each PEDC Board Director is provided with an OVOU digital business card. This is a single business card and should be treated as a credit card. Each Board Director is responsible for their card, and this card must be turned in when your term ends. Also, please keep in mind, your PEDC Digital Business Card should never be used to conduct personal business of any kind. Your PEDC Staff can assist you with any questions or concerns you may have about your OVOU digital business card.

PEDC TRAINING OPPORTUNITIES AND ECONOMIC DEVELOPMENT VIDEOS

Please click on links below to access these FREE courses.

Local Economic Development
https://www.coursera.org/learn/local-economic-development

What is Economic Development?
https://www.youtube.com/watch?v=DRPioDFGWRQ

Economic Development Webinars (State Comptroller)
https://comptroller.texas.gov/economy/local/index.php

Economic Development Sales Tax Program
https://www.youtube.com/watch?v=xm54VPIc-Qs

Type A and B Economic Development Corporations Overview
https://comptroller.texas.gov/economy/local/type-ab/

Eligible Type A Projects
https://comptroller.texas.gov/economy/local/type-ab/type-a.php

Operating Requirements
https://comptroller.texas.gov/economy/local/type-ab/operate.php

Texas Municipal League Economic Development Handbook
https://www.tml.org/DocumentCenter/View/1471/2022-Economic-Dev-HDBK-_Final?bidId=

CURRENT PEDC PROJECTS

Bois D'Arc Business Park
Façade Improvement Grant
New Restaurant Incentive Grant
Communications Master Plan
Land purchase
Incentive - SSD at Frisco
Community Events-equipment
Industrial Park & Marketing
S Beauchamp Blvd
Myrick Lane
Towne Center
Old Downtown

EDC EDITORIALS, PROMOTIONS, MARKETING, AND ADVERTISING INITIATIVES

Business View Magazine https://businessviewmagazine.com/princeton-texas-progress-purpose/

Bisnow https://www.bisnow.com/dallas-ft-worth/news/economic-development/small-towns-big-growth-how-princeton-fought-for-every-inch-of-its-rapid-expansion-112270

Dallas Morning News https://www.dallasnews.com/business/real-estate/2022/10/07/princeton-is-ready-for-an-expanded-us-380/

Trade and Industry https://www.tradeandindustrydev.com/industry/manufacturing/prime-designated-us-sites-allow-businesses-adapt-30505

Trade and Industry https://www.tradeandindustrydev.com/tid/choosing-quality-life-and-workforce-training-30882

Trade and Industry https://www.tradeandindustrydev.com/region/princeton-economic-development-30294

Trade and Industry https://www.tradeandindustrydev.com/region/princeton-community-development-30743

Site Selection https://siteselection.com/digitalEdition/2022/july/#page=60

PEDC BOARD COMMITTEES

There are four (4) standing committees board members may be assigned. Each committee has additional responsibilities. Members perform their advisory and oversight functions through well-structured, planned, and assigned committees to take advantage of the expertise of all the members. Each committee consists of three board members appointed annually by the PEDC board Chairman, and any additional City of Princeton staff members or community stakeholders that may provide relevant contributions to the committee's mission. The committee members establish a monthly meeting date and time but may be called upon to meet outside of the regularly scheduled meetings.

Each committee appoints a committee leader responsible for reporting a summary of committee activity to the board at the monthly board meeting during the "Board and Committee" "Reports" portion of the meeting. Some committee reports are reserved for executive session as they contain confidential project information.

Committee Purposes and Guidelines

Governance Committee

The governance committee regularly meets with the PEDC President to periodically evaluate performance and provide feedback on current organizational performance. This committee comprises the PEDC Board Chairman, Vice Chair, and a general board member. Topics addressed by the governance committee include: *Creation of new organizational policy and policy changes; Periodic review of the PEDC President's Performance; Communicate with City of Princeton City Council and city management office concerning city policy that affects the PEDC; Assists with formalizing PEDC organizational strategy.*

Finance Committee

The finance committee is responsible for PEDC budget oversight and general oversight of the organization's financial management. Topics addressed by the finance committee include *Annual PEDC budget planning and review; Review of new, unbudgeted organizational expenditures that exceed $10,000; Monthly review of organizational financial report; Evaluation of budgetary variances in excess of +/- 20% of the annual budgeted amount.*

Marketing Committee

The marketing committee is a strategic planning committee that regularly reviews marketing initiatives and campaigns with the internal marketing staff of the PEDC to ensure that our outbound messaging reflects the current organizational strategy. Topics the marketing committee addresses include: *Annual Marketing strategy; Inbound and Outbound Marketing campaigns; Social Media campaigns; and PEDC Events and Promotions.*

Real Estate Committee

The real estate committee previews potential projects being proposed to the board and reviews the strategic direction and performance of PEDC-owned properties. Topics addressed by the real estate committee include: *project review of large-scale development proposals and performance review of PEDC- owned development sites.*

BOARD MEETING PROCEDURAL "NEED TO KNOWS"

The rule or order is included in your packet, but generally, the meetings are run and managed through "Robert's Rules of Order".

Roberts Rules of Order

Robert's Rules of Order is a lengthy manual of parliamentary procedure that governs most boards of directors, which was first created in 1876 by Henry Martyn Robert as an adaptation of the rules and practices of Congress. With the latest versions of the manual totaling around 700 pages, a Robert's Rules of Order cheat sheet is useful for highlighting the most common processes used by today's boards.

Robert's Rules is a framework that is comprised of a set of codes and rules of ethics that helps groups hold orderly meetings that allow the majority to rule while allowing minority voices to be heard.

There are four primary types of motions in Robert's Rules of Order:

- Main motions
- Subsidiary motions
- Incidental motions
- Renewal motions

Robert's Rules of Order for meetings is the general standard for how nonprofit boards, committees and other established groups govern discussions and decision-making. Most nonprofits and groups use Robert's Rules because it ensures order and creates a ripe environment for productivity.

Parliamentary Procedure

A parliamentary procedure can be any set of rules and guidelines a group formally establishes to govern themselves, with Robert's Rules of Order being the most common type.

The goal of the parliamentary procedure is to set forth the order of discussions and ultimately get to a place where all group members can agree on what they want to accomplish or how to move forward. By using an established set of rules and guidelines, members of the group can reach a consensus in a respectful, collegial manner.

Robert's Rules Basics

New board members should learn the basics of Robert's Rules as soon as they join the board. Board members will use the basic rules for making decisions at most meetings.

Here is a general outline of the essential elements of Robert's Rules:

Motion – A member makes a motion to propose an action or make a decision by saying, "I move to…". Another member must second the motion by saying, "I second the motion." Once someone seconds the motion, the group votes on the motion. It passes by a majority vote or a quorum depending on the rules in the bylaws.

Amend a motion – Members use this process to change a motion and can do so by stating, "I move to amend the motion on the floor." Again, this motion must be seconded and voted upon.

Commit – Members use this type of motion to transfer a motion to a committee. As with other types of motions, it must be seconded and voted upon. Once it moves to a committee, the committee presents a report on the committed motion at the next meeting.

Question – Members say, "I call the question" to end a debate or discussion. The motion must be seconded and voted upon without further discussion. A call for the question requires a two-thirds majority vote to pass. At this point, the members must immediately vote on the motion on the floor.

Adjourn – This refers to moving to end the meeting. A member would say, "I move to adjourn," and another member would second the motion. If the majority then votes to adjourn, the meeting is over.

If anything out of the ordinary comes up, board members can look up the rules during the meeting. When you store a copy of Robert's Rules in your board management system, it is quickly and easily accessible if there is a question on proper meeting protocols.

Making a Motion

Board members must discuss one issue at a time to keep order in the boardroom. The board chair should only allow one person to speak at a time. Any member who wants to make a motion must request the floor —and be granted it — before speaking.

Robert's Rules classifies motions into the below categories.

6 Categories of Motions

1. **Main motion:** Introduces a new item.
2. **Subsidiary motion:** Changes or affects how to handle a main motion (vote on this before the main motion).
3. **Privileged motion:** Brings up an urgent or essential matter unrelated to pending business.
4. **Incidental motion:** Questions procedure of other motions.
5. **Motion to table:** Kills a motion.

6. **Motion to postpone:** Delays a vote (can reopen debate on the main motion).

You can read more about motions HERE.

Robert's Rules of Order Motion Steps

1. **Motion:** A member rises or raises a hand to signal the chairperson.
2. **Second:** Another member seconds the motion.
3. **Restate motion:** The chairperson restates the motion.
4. **Debate:** The members debate the motion.
5. **Vote:** The chairperson restates the motion, and then first asks for affirmative votes, and then negative votes.
6. **Announce the vote:** The chairperson announces the result of the vote and any instructions.

You can read more about the motions and how to use them in this article, "Robert's Rules of Order: Types of Motions".

TIP! If the board is in obvious agreement, the chairperson may save time by stating, "If there is no objection, we will adopt the motion to…" Then wait for any objections. Then say, "Hearing no objections, (state the motion) is adopted." And then state any instructions.

If a member objects, first ask for a debate, then vote, and then announce the vote.

Points in Robert's Rules of Order

Certain situations need attention during the meeting, but they don't require a motion, second, debate, or voting. It's permissible to state a point during a meeting where the chairperson needs to handle a situation right away. Board members can declare a Point of Order, Point of Information, Point of Inquiry, or Point of Personal Privilege.

- **Point of Order:** A member draws attention to a breach of rules, improper procedure, breaching of established practices, etc.
- **Point of Information:** A member can ask for a point of information if they want more information on a motion. A point of information should not be used as a means for the person calling for a point of information to present information.
- **Point of Inquiry:** A member may use a point of inquiry to ask for clarification in a report to make better voting decisions.
- **Point of Personal Privilege:** A member may use a point of personal privilege to address the physical comfort of the setting such as temperature or noise. Members may also use it to address the accuracy of published reports or the accuracy of a member's conduct.

***Note:** A member may make a motion to reconsider something that was already disposed of; however, the reconsidered motion may not be subsequently reconsidered. A motion to reconsider must be made during the same meeting and can extend to a meeting that lasts for more than one day.

Robert's Rules: Tips and Reminders for Chairpersons

Robert's Rules of Order were developed to ensure that meetings are fair, efficient, democratic, and orderly. A skilled chairperson allows all members to voice their opinions in an orderly manner so that everyone in the meeting can hear and be heard. The following tips and reminders will help chairpersons run a successful and productive meeting without being run over or running over others.

- Follow the agenda to keep the group moving toward its goals.
- Let the group do its work — don't over-command.
- Control the flow of the meeting by recognizing members who ask to speak.
- Let all members speak once before allowing anyone to speak a second time.
- When discussions get off-track, gently guide the group back to the agenda.
- Model courtesy and respect and insist that others do the same.
- Help to develop the board's skills in the parliamentary procedure by properly using motions and points of order.
- Encourage members to present motions positively rather than negatively.
- Give each speaker your undivided attention.
- Keep an emotional pulse on the discussions.
- Allow a consensus to have the final authority of the group.

ROBERTS RULE OF ORDER CHEAT SHEET is included in the Appendix of this document.

THANK YOU FOR YOUR SERVICE

APPENDIX A

PEDC Bylaws

Effective January 2024

Resolution No. EDC 2024-01-03-R03

ARTICLE I

PURPOSE AND POWERS

Section 1. ***Purpose:*** The Princeton Economic Development Corporation (the "Corporation" or "EDC" herein) is incorporated for the purposes set forth in its Articles of Incorporation, the same to be accomplished on behalf of the City of Princeton, Collin County, Texas, (the "City") as its duly constituted authority and instrumentality in accordance with the Development Corporation Act, Chapters 501–505 of the Texas Local Government Code (the "Act"), as amended, and other applicable laws, rules, and regulations.

Section 2. ***Powers****:* In the fulfillment of its corporate purpose, the Corporation shall be governed by Chapter 504 of the Act and shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Act, and in other applicable law, subject to the limitations prescribed herein.

Section 3. ***Governing Documents:*** These Bylaws, and the EDC's policies and procedures, code of ethics, and rules of order (collectively the "Governing Documents" and each individually a "Governing Document" herein) shall (i) be consistent with the Princeton Home Rule Charter (the "Charter" or "HRC"), Texas law, and the EDC's Articles of Incorporation; (ii) be approved by resolution of the City Council of Princeton, Texas (the "City Council" or "Council"), as specified by Section 501.064 of the Act and other applicable laws, rules, and regulations, as amended; and (iii) be in effect upon approval by resolution of the City Council and remain in effect until such time as amended, or suspended, or new rules are adopted in the manner provided by law.

Section 4. ***Bylaws:*** The contents of this document shall be referred to as the "Bylaws" of the Corporation or the "EDC Bylaws."

Section 5. ***Policies & Procedures:*** The EDC Board of Directors and City Council will approve and adopt written policies and procedures that define governance and operational guidelines for the Corporation. These policies and procedures may from time to time be amended as deemed necessary by the EDC staff, Board of Directors, or City Council.

Section 6. ***Conflicts:*** In the event that there exists a conflict between the Governing Documents of the EDC and the terms of the EDC's Articles of Incorporation, the Articles of Incorporation shall govern. In the event that there exists a conflict between the Governing Documents of the EDC and the terms of the Charter, the Charter shall govern. In the event that there exists a conflict between these Bylaws and any Governing Document of the EDC, these Bylaws shall govern.

ARTICLE II

OFFICES

Section 1. ***Principal Office***: The principal office of the Corporation in the State of Texas shall be located within the City's corporate boundaries, which principal office will be used primarily for administrative and management services.

Section 2. ***Registered Office and Registered Agent:*** The Corporation shall have and continuously maintain in the State of Texas a registered office and a registered agent, whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be but need not be identical with the principal office of the corporation in the State of Texas, and the address of the registered office may be changed from time to time by the Board, to the extent permitted under applicable laws, rules, and regulations.

ARTICLE III

BOARD OF DIRECTORS

Section 1. ***Powers, Number, and Term of Office***.

a. The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") and, subject to the restrictions imposed by law, the EDC's Articles of Incorporation, and these Bylaws, the Board shall exercise all of the powers of the Corporation.

b. The Board shall consist of seven (7) directors (each individually a "Board Member" or "Director"), each of whom, as well as each replacement, shall be appointed by the City Council. In accordance with HRC Section 9.03, appointees to the EDC may be either residents of the City, or the designated representatives of businesses located within the City's territorial limits and extraterritorial jurisdiction, to the extent permitted by state law.

c. Board Members may not hold any elective office of the State of Texas, or any political subdivision thereof, during their terms serving on the EDC.

d. Qualifications of and nominations and appointments to the Board shall be determined by (i) applicable laws, rules, and regulations; (ii) the Charter; and (iii) the bylaws of the City Council, as amended.

Section 2. ***Training:*** As of the Effective Date, all Board Members shall attend a training course on economic development within one (1) year after the Effective Date or one (1) year after their appointment date, as the case dictates. The Board may grant a Board Member an extension under this subsection for good cause shown, subject to the requirements provided under Texas law.

Section 3. ***Meeting of Directors***: The Board may hold their meetings at such place or places, but in any event within the City, as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation, as specified in Article II of these Bylaws.

Section 4. ***Attendance Policy:*** If a Director is absent for two (2) consecutive meetings or misses a total of three (3) meetings over the course of a twelve-month (12-month) period, the Director's office is forfeited and the Director deemed to have resigned effective immediately on the date of the most recent absence, unless a suitable number of absences are timely and formally excused by the City Council.

Section 5. ***Compensation to Directors**:* Directors shall not receive a salary or any other compensation for their service as a Director. However, Directors may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties.

ARTICLE IV

EDC BOARD MEETINGS

Section 1. ***Texas Open Meetings Act:*** All meetings and deliberations of the Board shall be noticed, called, posted, convened, held, and conducted in strict accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended ("TOMA").

Section 2. ***Location of Regular Meetings:*** Regular meetings of the Board shall be held on the 1st Monday of each month. The meetings are held in the City Council Chambers at the Princeton Municipal Center located at 2000 E. Princeton Drive and begin at 6:00 p.m. The Board may discuss and authorize an alternate schedule and designate alternative dates for regular meetings to accommodate holiday schedules or other conflicts without formal modification of these Bylaws.

Section 3. ***Other Locations:*** The Board may, occasionally, elect to meet at other locations or by teleconference and, upon such election, shall give public notice of the change of location in accordance with provisions of State law.

Section 4. ***Cancellation of Meetings:*** When the day for any regular meeting falls on a legal holiday or may not be held due to a lack of a quorum, inclement weather or a matter beyond the Board's control, the regularly scheduled meeting for such day shall be deemed canceled unless otherwise specified by the EDC. Meetings canceled due to holidays, lack of a quorum, inclement weather or other matters beyond the Board's control may be rescheduled for another date, at the election of the Chairperson or at least four (4) Directors and posted in accordance with TOMA.

Section 5. ***Pre-EDC Meeting Workshops:*** Workshop meetings may be called by the City Secretary or EDC Coordinator upon written request from the Chairperson, the City Manager, or any three (3) members of the Board upon written notice. The time, place, and purpose of such meetings shall be stated in each instance in accordance with the law. Workshop meetings shall be to discuss in detail, or explore in depth, matters of particular interest to the EDC or City Council. The public and staff may not participate in the discussions at a workshop meeting unless invited to do so. No formal EDC action shall be taken at a workshop meeting.

Section 6. ***Special/Emergency Meetings:*** Special or Emergency meetings may be called by the City Secretary or EDC Coordinator upon written request from the Chairperson, the City Manager, or any three (3) members of the Board. Notice of special or emergency meetings shall be given by the City Secretary or designee to each member of the Board, including, without limitation, the Chairperson, and also to both the EDC Attorney and the City Manager, providing notice by way of email, voice mail message, or notice left at residence. The time, place, and purpose of such meetings shall be stated in each instance in accordance with the law. A special meeting, by definition, is not a regularly scheduled meeting, or a meeting to make-up for a regularly called meeting that was re- scheduled due to one of the conditions enumerated in Article IV, Section 4 above. The City Secretary shall give notice to each director for any emergency meeting in person or telephone, at least two (2) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a special meeting.

At any meeting at which every Director shall be present, even though without any individual notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.

Section 7. ***Notice of Meetings:*** Notice of meetings and the agenda for all EDC meetings shall be posted by the City Secretary, EDC Coordinator, or designee on the City's official bulletin board pursuant to the requirements of TOMA, as well as on the City and EDC websites.

a. Whenever any notice is required to be given to the Board, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postage paid wrapper addressed to the person entitled thereto at his or her post office address as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objection to the transaction of any business on the grounds that the meeting is not lawfully called or convened. The business to be transacted and the purpose of any regular or special meeting of the Board needs to be specified in the notice or waiver of notice of such meeting. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 8. ***Quorum and Voting:*** A majority of the Directors shall constitute a quorum for conducting the official business of the Corporation. The act of a majority of the Directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation, unless the act of a greater number is required by law. However, in no event shall any project or expenditure be approved upon the affirmative vote of less than four (4) Directors present at a meeting. A Director may not vote by proxy. Directors must be present in order to vote at any meeting.

Section 9. ***Super Majority Vote:*** In the event that a super majority vote is needed for approval or denial of an item by the Board, the requisite number of votes is outlined in this Section. When determining whether a supermajority threshold is met, in the absence of special rules, the number of votes cast shall be multiplied by a decimal approximating required fraction to determine the required number. With all votes necessarily cast in whole numbers, any decimals in the result must be rounded up. As illustrative examples:

<u>For a seven-member voting body in full attendance (seven votes cast):</u>

7 X 0.667 = 4.669 7 x 0.75 = 5.25

If 2/3 majority required = 5+ votes

If ¾ majority required = 6+ votes

<u>If one voting member is absent, recused, or seat vacant:</u>

6 x 0.667 = 4 6 x 0.75 = 4.5

If 2/3 majority required = 4+ votes

If ¾ majority required = 5+ votes

Section 10. ***Code of Conduct*:** The Conduct Guidelines are designed to describe the manner in which elected and appointed officials should treat one another, City staff, constituents, and others they come into contact with while representing the City.

e. Elected and appointed officials are individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even though individuals may not agree on every issue.

f. *Honor the role of the Chairperson in maintaining Order:* It is the responsibility of the Chairperson to keep the comments of Board Members on track during public meetings. Board Members should honor efforts by the Chairperson to focus discussion on current agenda items. If there is disagreement about the agenda or the Chairperson's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure.

g. *Practice civility and decorum in discussions and debate:* Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of debate by a free democracy in action. Free debate does not require nor justify, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments.

h. *Avoid personal comments that could offend other members:* If a Board Member is personally offended by the remarks of another Board Member, the offended Board Member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other Board Member to justify or apologize for the language used. The Chairperson will maintain control of this discussion.

i. *Demonstrate effective problem-solving approaches:* Board Members have a public stage and have the responsibility to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

Section 11. ***Conduct of Business:***

a. At the Board meetings, matters pertaining to the business of the Corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board or applicable law.

b. At all Board meetings, the Chairperson shall preside, and in the absence of the Chairperson, the Vice Chairperson shall exercise the powers of the Chairperson.

c. The Secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as Secretary of the meeting.

ARTICLE V

AGENTS AND EMPLOYEES

Section 1. ***EDC Chief Executive Officer (CEO)**:* The CEO shall be a compensated employee of the Board. The CEO shall be the chief executive officer of the Corporation responsible for all daily operations and the implementation of these Bylaws and the EDC's policies and procedures and resolutions, to the extent permitted under applicable laws, rules, and regulations, The CEO may sign upon the approval of the Board, in the name of the Corporation, and/or attest to the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, to the extent permitted under applicable laws, rules, and regulations. The CEO shall attend all called Board meetings and perform those duties and functions as the Board shall prescribe. The duties and responsibilities of the CEO shall be subject to the sole review, direction, and supervision of the Board, unless otherwise provided herein or under applicable laws, rules, or regulations. The CEO shall be hired by the Board only upon ratification by the City Council. Termination of the CEO shall require Board approval by a majority vote of the board in open session and shall only be effective upon ratification by majority vote of the City Council. The Board shall conduct an annual review of the CEO and provide a copy of the annual review to the City Council upon its completion.

Section 2. ***Other Employees:*** The Board may authorize the hire of other compensated employees of the Corporation. All other employee positions of the Corporation must be budgeted and approved by the Board and City Council as part of the Corporations' annual budget. Once approved, the CEO of the corporation is responsible for the acquisition of said employees as well as day to day management, oversight, and annual review of said employees.

Section 3. ***Contracts for Service:*** Subject to any limitations imposed by applicable laws, rules, or regulations, the Corporation may contract with any qualified and appropriate person, association, corporation, or governmental entity to perform and discharge designated tasks to aid or assist the EDC.

ARTICLE VI

OFFICERS

Section 1. ***Titles, Duties, and Term of Office***:

a. The officers of the Corporation shall include (i) a Chairperson; (ii) a Vice Chairperson; (iii) a Secretary; (iv) a Treasurer; and (v) such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the Chairperson shall not hold the office of Vice Chairperson or Secretary. Terms of office shall be one (1) year, ending December 31, with the right of an officer to be re-elected.

b. At its first meeting in February of each year, or as soon as practicable after EDC appointments occurring that calendar year are final and any new members are sworn in, the Directors shall elect one (1) Chairperson and one (1) Vice Chairperson from among its membership. The Vice Chairperson shall act in the absence or illness of the Chairperson or failure or refusal of the Vice Chairperson to act consistent with state law.

c. All officers shall be elected by and be subject to removal from office at any time, by a vote of a majority of the entire Board.

d. A vacancy in the office of any officer shall be filled for the remaining term by a vote of a majority of the entire Board.

Section 2. ***Chairperson**:* The Chairperson shall be the presiding officer and serve the role of "President" of the Board. The Chairperson:

a. Shall preside at all Board meetings. The Chairperson may participate in the discussion of all matters coming before the EDC, unless otherwise provided under applicable laws, rules, or regulations.

b. Shall preserve order at all Board meetings, to enforce the rules of the EDC and City Council and to determine the order of business under the rules of the EDC.

c. Shall vote on all matters coming before the Board, unless otherwise provided under applicable laws, rules, or regulations.

d. Shall have the authority, upon notice to the members of the Board, to call a special meeting of the Board when in his or her judgment such a meeting is required.

e. Shall have the authority to appoint, with Board approval, standing committees to aid and assist the Board in its business undertakings or other matters incidental to the operation and functions of the Board.

f. Shall have the authority to appoint, with Board approval, ad hoc committees which may address issues of a temporary nature of concern, or which have a temporary effect on the business of the Board.

g. Shall sign with the Secretary of the Board, or other designated person, any deed, mortgage, bonds, contracts, or other instruments which the Board has approved and, unless the execution of said document has been expressly delegated to some other officer or agent of the Corporation by appropriate Board resolution, by a specific provision of these Bylaws, or by statute.

h. May be delegated the responsibility to act as the EDC's ceremonial representative at public events and functions. In the Chairperson's absence, the Vice Chairperson assumes this responsibility. In both the Chairperson and Vice Chairperson's absence, the Chairperson will appoint another Board Member to assume the responsibility.

i. Subject to appeal to the full EDC, shall have the authority to prevent the misuse of motions, the abuse of any privilege, or the obstruction of the business of the EDC by ruling any such matter out of order. In so ruling, the Chairperson shall be courteous and fair and should presume that the moving party is acting in good faith.

   Any Board Member may move to require enforcement of the rules, and the affirmative vote of a majority of the Board shall require the presiding officer to act. The Chairperson, with the concurrence of the Board and consistent with state law, may remove a person from the meeting for legal cause or disruption, as defined by state law.

j. Shall perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board.

Section 3. ***Vice Chairperson****:* The Vice Chairperson shall act in the absence or illness of the Chairperson or failure or refusal of the Chairperson to act, consistent with state law. The Vice Chairperson shall have the powers of the Chairperson for the duration of the meeting, or until such time as the Chairperson appears at the meeting.

Section 4. ***Treasurer****:* The City's Finance Department shall have the responsibility for the disbursement, custody and security of all funds and securities of the Corporation in accordance with these Bylaws and statutes governing the Corporation formed under the Act. The Treasurer shall maintain the financial reports provided by the City's Finance Department. The Treasurer may delegate all or part of his or her duties and responsibilities as Treasurer to the City's Finance Department.

Section 5. ***Secretary****:* The Secretary may sign with the CEO upon the approval of the Board in the name of the Corporation, and/or attest to the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, shall have charge of the corporate books, records, documents and instruments, except the papers as the Board may direct, all of which shall at all reasonable time be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board. The Secretary shall submit a copy of all corporation minutes and actions to the City Secretary within a reasonable time after a meeting. The Secretary may delegate all or part of his or her duties and responsibilities as Secretary to the EDC Coordinator.

Section 6. ***Election of Officers****:* The Chairperson, Vice Chairperson, Secretary, and Treasurer shall be elected from among the members of the Board.

Section 7. ***Compensation****:* Officers who are members of the Board shall not receive any salary or compensation for their services, except that they may be reimbursed for their actual and reasonable expenses incurred in the performance of their duties.

ARTICLE VII

FUNCTIONAL CORPORATE DUTIES AND REQUIREMENTS

Section 1. ***Economic Development Plan:*** The Board shall research, develop, prepare, and submit on an annual basis to the Council for its approval, an economic development plan for the City, which shall include proposed methods and the expected costs of implementation (the "Economic Development Plan" herein). The Economic Development Plan shall, without limitation (i) include both short-term and long-term goals for the economic development of the City; and (ii) take into consideration general development plans and policies of the City Council.

Section 2. ***Annual Corporate Budget:*** On or before June 30th of each year, the Board shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall not be effective nor shall expenditures occur until the same has been approved by the Council.

Section 3. ***Books, Records, Audits:***

a. The Corporation shall keep independent financial records and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs. Notwithstanding Article VII, Section 4, the Corporation may maintain any financial records solely at the City offices.

b. All remaining or surplus annual sales-tax revenues of the Corporation will be retained by the Corporation and placed in a fund balance account until such revenues can be programmed or used for eligible expenditures as under Texas law.

The books, records, accounts, and financial statements of the Corporation shall be audited at least once each fiscal year by an outside, independent auditing and accounting firm approved by the Board. Such an audit shall be at the expense of the Corporation.

Section 4. ***Deposit and Investment of Corporate Funds***:

All proceeds from the issuance of bonds, notes, other debt instruments (the "Debt Obligations" herein) issued by the Corporation shall be deposited and invested as provided in the resolutions, orders, indentures, or other documents authorizing or relating to the issuance.

All other monies of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the City. The Board shall designate authorized signatures on all payment authorization and/or check requests of TEN THOUSAND AND NO/100 DOLLARS ($10,000.00) or more. Any check request or other financial instrument for a proposed expenditure totaling less than TEN THOUSAND AND NO/100 DOLLARS ($10,000.00) shall require only one signature of either the Chairperson or Treasurer of the Corporation. The accounts reconciliation and investment of such funds and accounts may be reviewed by the Finance Department of the City, at the City's expense.

Section 5. ***Expenditures of Corporate Money****:* The monies of the Corporation, including, without limitation, sales and use taxes collected pursuant to the Act, monies derived from the repayment of loans, rents received from the lease or use of property, the proceeds from the investment of funds of the Corporation, the proceeds from the sale of property, and the proceeds derived from the sale of Debt Obligations, may be expended by the Corporation for any of the purposes authorized by the Act, subject to the following limitation:

a. Expenditures for the proceeds of Debt Obligations shall be identified and described in the orders, resolutions, indentures, or other agreements submitted to and approved by the Board prior to the sale and delivery of the Debt Obligations to the purchasers thereof required by Article VII, Section 6 of these Bylaws.

b. All other proposed expenditures shall be made in accordance with and shall be set forth in the annual budget required by Article VII, Section 2.

Section 6**.** ***Issuance of Obligations****:* No Debt Obligations, including refunding Debt Obligations, shall be sold and delivered by the Corporation unless the Board shall approve such Obligations by action taken no more than sixty (60) days prior to the date of sale of the Debt Obligations.

Section 7. ***Conflicts of Interest****:* A Board Member, officer of the Corporation, or member of the City Council may not lend money to or borrow money from the Corporation or otherwise transact business with the Corporation.

Section 8. ***Donations****:* The Board may accept on behalf of the Corporation any contribution, donation, bequest, or devise for the general purposes or for purposes of the Corporation.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 1. ***Fiscal Year****:* The fiscal year of the Corporation shall be the same as the fiscal year of the City.

Section 2. ***Biennial Review of EDC Procedures:*** The EDC will review and revise these Bylaws on an as-needed basis, which shall occur, at a minimum, once every two (2) years. Regular meeting agenda items will be set for discussion and deliberation of changes proposed by the City Council, EDC, and/or EDC staff, in either open session or executive session as appropriate for the specific matters at issue.

Section 3. ***Seal****:* The official seal of the Corporation shall be determined by the Board.

Section 4. ***Resignation:*** Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein; or, if no time is specified, at the time of its receipt by the Chairperson or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. ***Approval or Advice and Consent by the Council:*** To the extent that these Bylaws refer to any approval by the City or the Council or refer to advice and consent by the Council, such approval, or advice and consent shall be evidenced by a certified copy of a resolution, order, or motion duly adopted by the Council.

Section 6. ***Services of City Staff and Officers****:* The Corporation shall have the right to utilize the services of City personnel for usual and routine matters, provided that the performance of such service does not materially interfere with the other duties of such personnel of the City. Subject to the approval of the City Manager or the City Council, the Corporation may utilize the services of City personnel for unusual and non-routine matters. The Corporation shall pay reasonable compensation to the City for such services or use of any City personnel.

Section 7. ***Indemnification of Directors, Officers, and Employees***:

a. As provided in the Act, the Corporation is, for the purposes of the Texas Tort Claims Act (Subchapter A, Chapter 101, Texas Civil Practices and Remedies Code), a governmental unit and its actions are governmental functions.

b. The Corporation shall indemnify a person who was, is or has been threatened to be made a named defendant or respondent in a proceeding because the person is or was a Board Member, officer, employee, or agent, but only if the determination to indemnify is made in accordance with the provision of Tex. Bus. Org. Code Ann. Chapter 8, as amended.

c. The Corporation shall indemnify each and every member of the Board, its officers, its employees, its agents, and each member of the City Council and each employee of the City, to the fullest extent permitted by law and not otherwise covered by insurance, against any and all actions or omissions that may arise out of the functions and activities of the Corporation.

d. The Corporation may purchase and maintain insurance on behalf of any Board Member, officer, employee, or agent of the Corporation, or on behalf of any person serving at the request of the Corporation as a Board Member, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against that person and incurred by that person in any such capacity or arising out of any such status with regard to the Corporation, whether or not the Corporation has the power to indemnify that person against liability for any of those acts.

e. Any indemnification or liability insurance provided under this Section may be obtained through the City's general insurance coverage.

ARTICLE IX

EFFECTIVE DATE, AMENDMENTS

Section 1. ***Effective Date****:* These Bylaws shall become effective upon the occurrence of the following events:

a. The adoption and approval of these Bylaws by the Board; and

b. The approval of these Bylaws by the City Council.

Section 2. ***Amendments to Articles of Incorporation and Bylaws****:* The EDC's Articles of Incorporation and these Bylaws may be amended or repealed and an amended articles of incorporation and bylaws may be adopted by an affirmative vote of at least four (4) Board Members present at any regular meeting or at any special meeting, if at least five (5) days written notice is given of an intention to amend or repeal the Articles of Incorporation and Bylaws or to adopt a new articles of incorporation and bylaws at such meeting. Any amendment of the Articles of Incorporation and Bylaws will be effective only upon approval by the City Council.

Robert's Rules of Order
Cheat Sheet

Action	What to Say	Can interrupt speaker?	Need a Second?	Can be Debated?	Can be Amended?	Votes Needed
Introduce main motion	*"I move to..."*	No	Yes	Yes	Yes	Majority
Amend a motion	*"I move to amend the motion by II (add or strike words or both)"*	No	Yes	Yes	Yes	Majority
Move item to committee	*"I move that we refer the matter to committee."*	No	Yes	Yes	No	Majority
Postpone item	*"I move to postpone the matter until..."*	No	Yes	Yes	No	Majority
End debate	*"I move the previous question."*	No	Yes	Yes	No	Majority
Object to procedure	*"Point of order."*	Yes	No	No	No	Chair decision
Recess the meeting	*"I move that we recess until..."*	No	Yes	No	No	Majority
Adjourn the meeting	*"I move to adjourn the meeting."*	No	Yes	No	No	Majority
Request information	*"Point of information."*	Yes	No	No	No	No vote
Overrule the chair's ruling	*"I move to overrule the chair's ruling."*	Yes	Yes	Yes	No	Majority

Action	What to Say	Can interrupt speaker?	Need a Second?	Can be Debated?	Can be Amended?	Votes Needed
Extend the allotted time	*"I move to extend the time by ____ minutes."*	No	Yes	No	Yes	2/3
Enforce the rules or point out incorrect procedure	*"Point of order."*	Yes	No	No	No	No vote
Table a Motion	*"I move to table..."*	No	Yes	No	No	Majority
Verify voice vote with count	*"I call for a division."*	No	No	No	No	No vote
Object to considering some undiplomatic matter	*"I object to consideration of this matter..."*	Yes	No	No	No	2/3
Take up a previously tabled item	*"I move to take from the table..."*	No	Yes	No	No	Majority
Reconsider something already disposed of	*"I move to reconsider our action to..."*	Yes	Yes	Yes	Yes	Majority
Consider something out of its scheduled order	*"I move to suspend the rules and consider..."*	No	Yes	No	No	2/3
Close the meeting for executive session	*"I move to go into executive session."*	No	Yes	No	No	Majority
Personal preference - noise, room temperature, distractions	*"Point of privilege"*	Yes	No	No	No	No vote

APPENDIX C

Texas Type A Statutes

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 504. TYPE A CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 504.001. DEFINITION. In this chapter, "authorizing municipality" means the municipality that authorizes the creation of a Type A corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.002. APPLICABILITY OF CHAPTER. This chapter applies only to a municipality that:

(1) is located in a county that has a population of 500,000 or less; or

(2) has a population of less than 50,000 and:

(A) is located in two or more counties, one of which has a population of 500,000 or more;

(B) is located within the territorial limits of, but has not elected to become a part of, a metropolitan rapid transit authority:

(i) the principal municipality of which has a population of less than 1.9 million; and

(ii) that was created before January 1, 1980, under Chapter 141, Acts of the 63rd Legislature, Regular Session, 1973, and is operating under Chapter 451, Transportation Code; or

(C) is located within the territorial limits of, but has not elected to become a part of, a regional transportation authority:

(i) the principal municipality of which has a population of more than 1.3 million; and

(ii) that was created under Chapter 683, Acts of the 66th Legislature, Regular Session, 1979, or Chapter 452, Transportation Code, and is operating under Chapter 452, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. 4559), Sec. 195, eff. September 1, 2023.

Sec. 504.003. AUTHORITY TO CREATE CORPORATION. (a) A municipality may authorize the creation under this subtitle of a Type A corporation.

(b) A municipality may not authorize the creation of more than one Type A corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.004. CONTENTS OF CERTIFICATE OF FORMATION. The certificate of formation of a Type A corporation must state that the corporation is governed by this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.005. CORPORATION NOT SUBJECT TO CERTAIN PROVISIONS. Sections 501.203, 501.205, 501.251-501.254, 501.255(a) and (b), 501.256, and 501.257 do not apply to a corporation under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER B. GOVERNANCE OF CORPORATION

Sec. 504.051. BOARD OF DIRECTORS. (a) The board of directors of a Type A corporation consists of at least five directors.

(b) A director is appointed by the governing body of the authorizing municipality, serves at the pleasure of that governing body, and may be removed by that governing body at any time without cause.

(c) The governing body of the authorizing municipality shall determine the number of directors and the length of each director's term, except that the length of a director's term may not exceed six years.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.052. OFFICERS. The board of directors of a Type A corporation shall appoint:

(1) a president;

(2) a secretary; and

(3) other officers of the corporation that the governing body of the authorizing municipality considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.053. QUORUM. A majority of the entire membership of the board of directors of a Type A corporation is a quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.054. LOCATION OF BOARD MEETINGS. (a) Except as provided by Subsection (b), the board of directors of a Type A corporation shall conduct each board meeting within the boundaries of the authorizing municipality.

(b) If the authorizing municipality is located in a county with a population of less than 30,000, the board of directors of a Type A corporation may conduct a board meeting within the boundaries of the county.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 473 (H.B. 479), Sec. 1, eff. June 17, 2011.

Sec. 504.055. RESTRICTIONS ON REGISTERED AGENT AND OFFICE. (a) The registered agent of a Type A corporation must be an individual who is a resident of this state.

(b) The registered office of a Type A corporation must be located within the boundaries of the authorizing municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 504.101. APPLICABILITY OF OTHER LAW; CONFLICTS. A Type A corporation has the powers and is subject to the limitations of a corporation created under another provision of this subtitle outside of this chapter. To the extent of a conflict between this chapter and another provision of this subtitle, this chapter prevails.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.102. CONTRACT WITH OTHER PRIVATE CORPORATION. A Type A corporation may contract with another private corporation to:

(1) carry out an industrial development program or objective; or

(2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties provided by this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.103. LIMITATION ON PRIMARY PURPOSE OF PROJECT; EXCEPTIONS. (a) Except as otherwise provided by this section, a Type A corporation may not undertake a project the primary purpose of which is to provide:

(1) a transportation facility;

(2) a solid waste disposal facility;

(3) a sewage facility;

(4) a facility for furnishing water to the general public; or

(5) an air or water pollution control facility.

(b) A Type A corporation may provide a facility described by Subsection (a) to benefit property acquired for a project that has another primary purpose.

(c) A Type A corporation may undertake a project the primary purpose of which is to provide:

(1) a general aviation business service airport that is an integral part of an industrial park;

(2) a port-related facility to support waterborne commerce; or

(3) an airport-related facility, if the authorizing municipality:

(A) is wholly or partly located within 25 miles of an international border; and

(B) has, at the time the project is approved by the corporation as provided by this subtitle:

(i) a population of less than 50,000; or

(ii) an average rate of unemployment that is greater than the state average rate of unemployment during the most recent 12-month period for which data is available that precedes the date the project is approved.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.104. ASSUMPTION OR PAYMENT OF PREEXISTING DEBT PROHIBITED. A Type A corporation may not:

(1) assume a debt that existed before the date the authorizing municipality authorized the creation of the corporation; or

(2) make an expenditure to pay the principal of or interest on a debt that existed before the date prescribed by Subdivision (1).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.105. LIMITATION ON USE OF REVENUES FOR PROMOTIONAL PURPOSE. (a) Except as provided by Subsection (b), a Type A corporation may spend not more than 10 percent of the corporate revenues for promotional purposes.

(b) A Type A corporation may spend not more than 25 percent of the corporate revenues for promotional purposes if the authorizing municipality:

(1) is located in two counties;

(2) has a population of less than 24,250 according to the 1990 federal census; and

(3) is located wholly or partly within 10 miles of a federal military reservation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.106. EMINENT DOMAIN. A Type A corporation may not exercise the power of eminent domain except by action of the governing body of the authorizing municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.107. LIABILITY. (a) The following are not liable for damages arising from the performance of a governmental function of a Type A corporation or the authorizing municipality:

(1) the corporation;

(2) a director of the corporation;

(3) the municipality;

(4) a member of the governing body of the municipality; and

(5) an employee of the corporation or municipality.

(b) For purposes of Chapter 101, Civil Practice and Remedies Code (Texas Tort Claims Act), a Type A corporation is a governmental unit and the corporation's actions are governmental functions.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER D. AUTHORIZATION FOR ADDITIONAL PROJECTS

Sec. 504.151. DEFINITIONS. In this subchapter:

(1) "Related infrastructure" has the meaning assigned by Section 334.001.

(2) "Sports venue" means an arena, coliseum, stadium, or other type of area or facility:

(A) that is primarily used or is planned for primary use for one or more professional or amateur sports or athletics events; and

(B) for which a fee is charged or is planned to be charged for admission to the sports or athletics events, other than occasional civic, charitable, or promotional events.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.152. ELECTION TO AUTHORIZE PROJECTS APPLICABLE TO TYPE B CORPORATIONS. (a) An authorizing municipality may submit to the voters of the municipality a ballot proposition that authorizes the Type A corporation to use the sales and use tax imposed under this chapter, including any amount previously authorized and collected, for a specific project or for a specific category of projects that do not qualify under this chapter but qualify under Chapter 505, including a sports venue and related infrastructure.

(b) The project or category of projects described by Subsection (a) must be clearly described on the ballot so that a voter is able to discern the limits of the specific project or category of projects authorized by the proposition. If maintenance and operating costs of an otherwise authorized facility are to be paid from the sales and use tax, the ballot language must clearly state that fact.

(c) The authorizing municipality may submit the ballot proposition at:

(1) an election held under another provision of this subtitle, including the election at which the proposition to initially approve the adoption of a sales and use tax for the benefit of the corporation is submitted; or

(2) a separate election to be held on a uniform election date.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.153. PUBLIC HEARING PRECEDING ELECTION. Before an election may be held under Section 504.152, a public hearing must be held in the authorizing municipality to inform the municipality's residents of the cost and impact of the project or category of projects. At least 30 days before the date set for the hearing, notice of the date, time, place, and subject of the hearing must be published in a newspaper with general circulation in the municipality in which the project is located. The notice should be published on a weekly basis until the date of the hearing.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.154. LIMITATION ON SUBSEQUENT ELECTION. If a majority of the voters voting on the issue do not approve a specific project or a specific category of projects at an election under Section 504.152, another election concerning the same project or category of projects may not be held before the first anniversary of the date of the most recent election disapproving the project or category of projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.155. SUBSEQUENT APPROVAL OF ADDITIONAL PROJECTS. Prior approval of a specific project at an election or completion of a specific project approved at an election does not prevent an authorizing municipality from seeking voter approval of an additional project or category of projects under this subchapter to be funded from the same sales and use tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.156. APPLICABILITY OF CHAPTER TO ADDITIONAL PROJECT. A project undertaken under this subchapter is governed by this chapter, including the provisions of this chapter relating to the authorization and expiration of a sales and use tax.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.171. AUTHORITY OF CERTAIN CORPORATIONS TO UNDERTAKE TYPE B PROJECTS. (a) This section applies only to a Type A corporation the creation of which was authorized by a municipality:

(1) that has also authorized the creation of a Type B corporation; and

(2) that has a population of 7,500 or less.

(b) Notwithstanding Section 504.152, if permitted by ordinance of the authorizing municipality, a Type A corporation to which this section applies may undertake any project that a Type B corporation, the creation of which was authorized by the same municipality, may undertake under Chapter 505.

(c) The governing body of an authorizing municipality may by ordinance revoke any authority granted to a Type A corporation under Subsection (b). A revocation under this subsection does not affect the authority of a corporation to complete a project already undertaken or the obligation to repay any debt incurred in connection with a project under Subsection (b).

Added by Acts 2011, 82nd Leg., R.S., Ch. 1177 (H.B. 3302), Sec. 1, eff. June 17, 2011.

SUBCHAPTER E. INVESTMENT AGREEMENTS

Sec. 504.201. DEFINITIONS. In this subchapter:

(1) "Base taxable value" means the taxable value of property located in the defined area of a project as of January 1 of the year in which the agreement is entered into under Section 504.202.

(2) "Corresponding taxing unit" means another taxing unit that:

(A) is of the same type of political subdivision as a taxing unit that enters into an agreement under Section 504.202; and

(B) taxes property located in the defined area of a project that is the subject of the agreement.

(3) "Taxing unit" has the meaning assigned by Section 1.04, Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.202. AGREEMENT TO INVEST IN EXTRATERRITORIAL PROJECT. (a) A taxing unit may enter into an agreement with a Type A corporation to invest in a project that is undertaken by the corporation and that is not located in the territory of the taxing unit. A Type A corporation may enter into an agreement under this section with more than one taxing unit.

(b) Before entering into the agreement, the Type A corporation undertaking the project must designate a defined area that includes the territory where the project is to be located.

(c) The agreement must state the base taxable value of the property in the defined area of the project.

(d) The agreement may provide that the taxing unit is entitled to receive from the Type A corporation, in exchange for the investment, an amount equal to a specified percentage of the tax revenue from taxes imposed by the corresponding taxing unit on the taxable value of the property in the defined area that exceeds the base taxable value, during the period the corresponding taxing unit imposes taxes on that property.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.203. REQUIRED AGREEMENT WITH CORRESPONDING TAXING UNIT. A Type A corporation that enters into an agreement under Section 504.202 shall enter into an agreement with a corresponding taxing unit to recover the amount paid by the corporation to a taxing unit as provided by Section 504.202(d).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.204. EFFECT ON AUTHORITY UNDER OTHER LAW. (a) This subchapter does not affect a taxing unit's authority to grant a tax abatement.

(b) This subchapter does not affect a Type A corporation's authority to invest in a project or recover its total investment by contract under Section 501.159.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER F. SALES AND USE TAX

Sec. 504.251. TAX AUTHORIZED. The authorizing municipality may adopt a sales and use tax for the benefit of a Type A corporation if the tax is approved by a majority of the voters of the municipality voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.252. SALES TAX. (a) If the authorizing municipality adopts the tax under Section 504.251, a tax is imposed on the receipts from the sale at retail of taxable items within the municipality at the rate approved by the voters.

(b) The rate of the tax imposed under Subsection (a) may be any rate that is an increment of one-eighth of one percent, that the authorizing municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 504.254(a).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 5, eff. September 1, 2015.

Sec. 504.253. USE TAX. (a) If the authorizing municipality adopts the tax under Section 504.251, an excise tax is imposed on the use, storage, or other consumption within the municipality of taxable items purchased, leased, or rented from a retailer during the period that the tax is effective within the municipality.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the sales and use tax and is applied to the sales price of the taxable items.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.254. COMBINED TAX RATE. (a) An authorizing municipality may not adopt a rate under this chapter that, when added to the rates of all other sales and use taxes imposed by the authorizing municipality and other political subdivisions of this state having territory in the authorizing municipality, would result in a combined rate exceeding two percent.

(b) An election adopting a rate that would result in a rate exceeding the combined rate limit under Subsection (a) has no effect.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.255. APPLICABILITY OF TAX CODE. (a) Chapter 321, Tax Code, governs an election to approve the adoption of the sales and use tax under this chapter and governs the imposition, computation, administration, governance, use, and abolition of the tax except as inconsistent with this chapter.

(b) The tax imposed under this chapter takes effect as provided by Section 321.102(a), Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.256. BALLOT. In an election to adopt the sales and use tax under this chapter, the ballot shall be printed to provide for voting for or against the proposition: "The adoption of a sales and use tax for the promotion and development of new and expanded business enterprises at the rate of __________ percent" (insert appropriate rate).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 6, eff. September 1, 2015.

Sec. 504.257. LIMITATION ON DURATION OF TAX. (a) At an election held under Section 504.251 or 504.258, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the period for imposition of a sales and use tax. If an authorizing municipality elects to limit the period for imposition of the tax, the following phrase shall be added to the end of the ballot proposition prescribed by Section 504.256: "to be imposed for

__________ years" (the number of years to be inserted as appropriate). The governing body of the municipality shall set the expiration date of the proposed tax to occur on the appropriate anniversary of the effective date of the tax.

(b) A sales and use tax imposed for a limited period under this section expires on the date set by the governing body of the authorizing municipality under Subsection (a) unless the tax is repealed on an earlier date by a majority of the voters voting in an election held in the municipality. If an election to abolish the tax is held, Sections 321.102(a) and 321.402(b), Tax Code, apply to the date of repeal.

(c) If an authorizing municipality reduces the rate of an additional sales and use tax under Chapter 321, Tax Code, to impose a tax under this chapter for a limited period as provided by this section, and the municipality does not have an election to change the rate of the additional sales and use tax before the tax under this chapter expires, on the date the tax under this chapter expires, the rate of the municipality's additional sales and use tax returns to the rate in effect immediately before the tax under this chapter was adopted. The municipality is not required to hold an election under Chapter 321, Tax Code, to impose the additional sales and use tax at that rate.

(d) A sales and use tax that is approved without limiting the period during which the tax is imposed remains in effect until repealed by election.

(e) An authorizing municipality that has imposed a tax under this chapter may extend the period of the tax's imposition or reimpose the tax only if the extension or reimposition is approved by a majority of the voters of the municipality voting at an election held for that purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.258. ELECTION TO REDUCE OR INCREASE TAX RATE. (a) An authorizing municipality that has imposed a sales and use tax under this chapter may, in the same manner and by the same procedure as the municipality imposed the tax, reduce or increase the tax rate by a majority of the voters of the municipality voting at an election held for that purpose.

(b) On petition of 10 percent or more of the registered voters of the authorizing municipality requesting an election to reduce or increase the tax rate under this chapter, the governing body of the municipality shall order an election on the issue.

(c) The tax rate may be reduced or increased to any rate that is an increment of one-eighth of one percent, that the authorizing municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 504.254(a).

(d) The ballot for an election under this section shall be printed in the same manner as the ballot under Section 504.256.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 7, eff. September 1, 2015.

Sec. 504.259. REDUCTION OF TAX WITHIN REGIONAL TRANSPORTATION AUTHORITY. Notwithstanding any other provision of this chapter, a tax under this chapter imposed by an authorizing municipality that is located within the territorial limits of a regional transportation authority and that has been added to the territory of the authority under Section 452.6025, Transportation Code, is subject to reduction in the manner prescribed by Section 452.6025, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.260. LIMITED SALES AND USE TAX FOR SPECIFIC PROJECT. (a) At an election held under Section 504.251 or 504.258, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the use of the sales and use tax to a specific project. If an authorizing municipality elects to limit the use of the tax to a specific project, in the ballot proposition prescribed by Section 504.256 or 504.261 a description of the project shall be substituted for the words "new and expanded business enterprises."

(b) When the last of a Type A corporation's obligations have been satisfied regarding the specific project for which the sales and use tax was limited, the corporation shall send to the comptroller a notice stating that the sales and use tax imposed for the specific project may not be collected after the last day of the first calendar quarter beginning after the date of notification. A sales and use tax imposed for a specific project under this section may not be collected after the last day of the first calendar quarter beginning after the date of the notification to the comptroller. The state shall forward revenue collected after the obligations for the specific project have been satisfied to the governing body of the authorizing municipality to be used to pay current bonded indebtedness of the municipality.

(c) A Type A corporation created to perform a specific project under this section may retain its corporate existence and perform any other project approved by the voters of the authorizing municipality at an election held under Section 504.251 or 504.258.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.261. CONCURRENT ELECTION WITH ELECTION UNDER TAX CODE. (a) At an election to adopt, reduce, increase, or abolish the sales and use tax under this chapter, the authorizing municipality may also allow voters to vote on the same ballot on a proposition to impose, reduce, increase, or abolish the additional sales and use tax imposed under Section 321.101(b), Tax Code, if the municipality is authorized by Chapter 321, Tax Code, to impose, reduce, increase, or abolish the additional sales and use tax. Except as provided by Subsection (b), the municipality must follow the procedures of Chapter 321, Tax Code, in relation to the imposition, reduction, increase, or abolishment of the additional sales and use tax imposed under Section 321.101(b), Tax Code.

(b) In an election to impose, reduce, increase, or abolish the tax under this chapter and the additional sales and use tax, the ballot shall be printed to provide for voting for or against the proposition: "The adoption of a sales and use tax within the municipality for the promotion and development of new and expanded business enterprises at the rate of __________ percent (insert appropriate rate) and the adoption of an additional sales and use tax within the municipality at the rate of __________ percent to be used to reduce the property tax rate" (insert appropriate rate).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 8, eff. September 1, 2015.

Sec. 504.262. PROCEDURES ON EXPIRATION OF TAX. (a) Before the 60th day before the date that a sales and use tax imposed under this chapter is to expire, the governing body of the authorizing municipality imposing the tax shall send to the comptroller a notice stating the expiration date of the tax.

(b) The state shall forward revenue collected from the imposition of the tax after the tax's expiration date to the governing body of the authorizing municipality to be used to pay current bonded indebtedness of the municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER G. USE OF TAX PROCEEDS

Sec. 504.301. DELIVERY AND GENERAL USE OF TAX PROCEEDS. On the authorizing municipality's receipt from the comptroller of the proceeds of the sales and use tax imposed under this chapter, the authorizing municipality shall deliver the proceeds to the Type A corporation for use in carrying out the corporation's functions.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.302. PAYMENT OF MAINTENANCE AND OPERATING COSTS; ELECTION. (a) The costs of a publicly owned and operated project purchased or constructed under this chapter include the maintenance and operating costs of the project.

(b) The proceeds of the sales and use tax imposed under this chapter may be used to pay the maintenance and operating costs of a project unless, not later than the 60th day after the date notice of the specific use of the tax proceeds is first published, the governing body of the authorizing municipality of the Type A corporation undertaking the project receives a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held before the tax proceeds may be used to pay the maintenance and operating costs of the project.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.303. PAYMENT OF BONDS. The proceeds of the sales and use tax imposed under this chapter may be used to pay the principal of, interest on, and other costs relating to the Type A corporation's bonds, but the bonds or any instrument related to the bonds may not give a bondholder a right to demand payment from tax proceeds in excess of the proceeds collected from the tax imposed under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.304. PAYMENT FOR CLEANUP OF CONTAMINATED PROPERTY; ELECTION. (a) The economic development office, with the assistance of the Texas Commission on Environmental Quality, may encourage a Type A corporation to use proceeds from the sales and use tax imposed under this chapter for the cleanup of contaminated property.

(b) A Type A corporation may use proceeds from the sales and use tax for the cleanup of contaminated property only if the use of tax proceeds for that purpose is authorized by a majority of the voters of the authorizing municipality voting at an election held for that purpose. The ballot in an election held under this subsection shall be printed to provide for voting for or against the proposition: "The use of sales and use tax proceeds for the cleanup of contaminated property."

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.305. PAYMENT FOR JOB TRAINING. The proceeds of the sales and use tax imposed under this chapter may also be used to pay expenses relating to job training incurred by the Type A corporation under Section 501.162.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER H. TERMINATION OF CORPORATION

Sec. 504.351. ELECTION TO TERMINATE EXISTENCE OF CORPORATION ON PETITION. (a) On petition of 10 percent or more of the registered voters of an authorizing municipality requesting an election on the termination of the existence of the Type A corporation, the governing body of the municipality shall order an election on the issue.

(b) The authorizing municipality shall hold the election on the next available uniform election date that occurs after the time required by Section 3.005, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.352. BALLOT. The ballot for an election held under Section 504.351 shall be printed to provide for voting for or against the proposition: "Termination of the __________ (name of the corporation)."

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 504.353. TERMINATION OF EXISTENCE OF CORPORATION. (a) If a majority of voters voting on the issue at an election held under Section 504.351 approve the termination, the Type A corporation shall:

(1) continue operations only as necessary to pay the principal of and interest on the corporation's bonds and to meet obligations incurred before the date of the election; and

(2) dispose of the corporation's assets and apply the proceeds to satisfy obligations described by Subdivision (1), to the extent practicable.

(b) When the last of the Type A corporation's obligations are satisfied, any remaining assets of the corporation shall be transferred to the authorizing municipality, and the existence of the corporation is terminated.

(c) A tax imposed under this chapter may not be collected after the last day of the first calendar quarter that begins after the Type A corporation notifies the comptroller that the last of the corporation's obligations has been satisfied.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

APPENDIX D

Texas Type B Statutes

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 505. TYPE B CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 505.001. DEFINITION. In this chapter, "authorizing municipality" means the municipality that authorizes the creation of a Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.002. APPLICABILITY OF CHAPTER. This chapter applies only to:

(1) a municipality:

(A) that is located in a county with a population of 500,000 or more; and

(B) in which the combined rate of all sales and use taxes imposed by the municipality, this state, and other political subdivisions of this state having territory in the municipality does not exceed 8.25 percent on the date of any election held under or made applicable to this chapter;

(2) a municipality:

(A) that has a population of 400,000 or more;

(B) that is located in more than one county; and

(C) in which the combined rate of all sales and use taxes imposed by the municipality, this state, and other political subdivisions of this state having territory in the municipality, including taxes imposed under this chapter, does not exceed 8.25 percent; or

(3) a municipality to which Chapter 504 applies.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.003. AUTHORITY TO CREATE CORPORATION. (a) A municipality may authorize the creation under this subtitle of a Type B corporation.

(b) A municipality may not authorize the creation of more than one Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.004. CONTENTS OF CERTIFICATE OF FORMATION. The certificate of formation of a Type B corporation:

(1) must state that the corporation is governed by this chapter; and

(2) may include in the corporation's name any word or phrase the authorizing municipality specifies.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.005. CORPORATION NOT SUBJECT TO CERTAIN PROVISIONS. Sections 501.203, 501.205, 501.251-501.254, 501.255(a) and (b), 501.256, and 501.257 do not apply to a corporation under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER B. GOVERNANCE OF CORPORATION

Sec. 505.051. BOARD OF DIRECTORS. (a) The board of directors of a Type B corporation consists of seven directors.

(b) A director is appointed by the governing body of the authorizing municipality for a two-year term.

(c) A director may be removed by the governing body of the authorizing municipality at any time without cause.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.052. RESTRICTION ON BOARD MEMBERSHIP. (a) Each director of a Type B corporation authorized to be created by a municipality with a population of 20,000 or more must be a resident of the municipality.

(b) Each director of a Type B corporation authorized to be created by a municipality with a population of less than 20,000 must:

(1) be a resident of the municipality;

(2) be a resident of the county in which the major part of the area of the municipality is located; or

(3) reside:

(A) within 10 miles of the municipality's boundaries; and

(B) in a county bordering the county in which most of the area of the municipality is located.

(c) Three directors of a Type B corporation must be persons who are not employees, officers, or members of the governing body of the authorizing municipality.

(d) Notwithstanding Subsections (a)-(c), if a municipality terminates a Type A corporation's existence and authorizes the creation of a Type B corporation, a person serving as a director of the Type A corporation at the time of termination may serve on the board of directors of the Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.053. OFFICERS. The board of directors of a Type B corporation shall appoint:

(1) a president;

(2) a secretary; and

(3) other officers of the corporation the governing body of the authorizing municipality considers necessary.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.054. QUORUM. A majority of the entire membership of the board of directors of a Type B corporation is a quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.055. LOCATION OF BOARD MEETINGS. (a) Except as provided by Subsection (b), the board of directors of a Type B corporation shall conduct all meetings within the boundaries of the authorizing municipality.

(b) If the authorizing municipality is located in a county with a population of less than 30,000, the board of directors of a Type B corporation may conduct a board meeting within the boundaries of the county.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 473 (H.B. 479), Sec. 2, eff. June 17, 2011.

Sec. 505.056. RESTRICTIONS ON REGISTERED AGENT AND OFFICE. (a) The registered agent of a Type B corporation must be an individual who is a resident of this state.

(b) The registered office of a Type B corporation must be located within the boundaries of the authorizing municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 505.101. APPLICABILITY OF OTHER LAW; CONFLICTS. A Type B corporation has the powers granted by this chapter and by other chapters of this subtitle and is subject to the limitations of a corporation created under another provision of this subtitle. To the extent of a conflict between this chapter and another provision of this subtitle, this chapter prevails.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.102. CONTRACT WITH OTHER PRIVATE CORPORATION. A Type B corporation may contract with another private corporation to:

(1) carry out an industrial development program or objective; or

(2) assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified by this subtitle.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.103. LIMITATION ON USE OF REVENUES FOR PROMOTIONAL PURPOSES. A Type B corporation may spend not more than 10 percent of the corporate revenues for promotional purposes.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.104. BOND REPAYMENT. (a) Bonds or other obligations that mature in 30 years or less and that are issued to pay the costs of projects of a type added to the definition of "project" by Subchapter D may be made payable from any source of funds available to the Type B corporation, including the proceeds of a sales and use tax imposed under this chapter.

(b) Bonds or other obligations that by their terms are payable from the tax proceeds:

(1) may not be paid wholly or partly from any property taxes imposed or to be imposed by the authorizing municipality; and

(2) are not a debt of and do not give rise to a claim for payment against the authorizing municipality, except as to sales and use tax revenue held by the municipality and required under this chapter to be delivered to the Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.1041. APPRAISAL REQUIRED BEFORE PURCHASE OF PROPERTY WITH BOND PROCEEDS. A Type B corporation may not purchase property for a project wholly or partly with bond proceeds until the corporation obtains an independent appraisal of the property's market value.

Added by Acts 2011, 82nd Leg., R.S., Ch. 719 (H.B. 782), Sec. 2, eff. September 1, 2011.

Sec. 505.105. EMINENT DOMAIN. A Type B corporation may exercise the power of eminent domain only:

(1) on approval of the action by the governing body of the authorizing municipality; and

(2) in accordance with and subject to the laws applicable to the authorizing municipality.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.106. LIABILITY. (a) The following are not liable for damages arising from the performance of a governmental function of a Type B corporation or the authorizing municipality:

(1) the corporation;

(2) a director of the corporation;

(3) the municipality;

(4) a member of the governing body of the municipality; or

(5) an employee of the corporation or municipality.

(b) For purposes of Chapter 101, Civil Practice and Remedies Code, a Type B corporation is a governmental unit and the corporation's actions are governmental functions.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER D. AUTHORIZED PROJECTS

Sec. 505.151. AUTHORIZED PROJECTS. In this chapter, "project" means land, buildings, equipment, facilities, expenditures, and improvements included in the definition of "project" under Chapter 501, including:

(1) job training as provided by Section 501.162; and

(2) recycling facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.152. PROJECTS RELATED TO RECREATIONAL OR COMMUNITY FACILITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for use for professional and amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and other related improvements that enhance any of the items described by this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.153. PROJECTS RELATED TO AFFORDABLE HOUSING. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the promotion of development and expansion of affordable housing, as described by 42 U.S.C. Section 12745.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.154. PROJECTS RELATED TO WATER SUPPLY FACILITIES AND WATER CONSERVATION PROGRAMS. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for:

(1) the development or improvement of water supply facilities, including dams, transmission lines, well field developments, and other water supply alternatives; or

(2) the development and institution of water conservation programs, including incentives to install water-saving plumbing fixtures, educational programs, brush control programs, and programs to replace malfunctioning or leaking water lines and other water facilities.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.155. PROJECTS RELATED TO BUSINESS ENTERPRISES THAT CREATE OR RETAIN PRIMARY JOBS. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to promote or develop new or expanded business enterprises that create or retain primary jobs, including:

(1) a project to provide public safety facilities, streets and roads, drainage and related improvements, demolition of existing structures, general municipally owned improvements, and any improvements or facilities related to a project described by this subdivision; and

(2) any other project that the board of directors in the board's discretion determines promotes or develops new or expanded business enterprises that create or retain primary jobs.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.156. PROJECTS RELATED TO BUSINESS ENTERPRISES IN CERTAIN MUNICIPALITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the development, retention, or expansion of business enterprises if the project is undertaken by a Type B corporation authorized to be created by a municipality:

(1) that has not for each of the preceding two fiscal years received more than $50,000 in revenues from sales and use taxes imposed under this chapter; and

(2) the governing body of which has authorized the project by adopting a resolution only after giving the resolution at least two separate readings conducted at least one week apart.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.1561. PROJECTS RELATED TO AIRPORT FACILITIES IN CERTAIN MUNICIPALITIES. For purposes of this chapter, "project" includes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the development or expansion of airport or railport facilities, including hangars, maintenance and repair facilities, cargo facilities, and related infrastructure located on or adjacent to an airport or railport facility, if the project is undertaken by a Type B corporation authorized to be created by a municipality:

(1) that enters into a development agreement with an entity in which the entity acquires a leasehold or other possessory interest from the corporation and is authorized to sublease the entity's interest for other projects authorized by Sections 505.151 through 505.156; and

(2) the governing body of which has authorized the development agreement by adopting a resolution at a meeting called as authorized by law.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.014(a), eff. September 1, 2009.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 150 (S.B. 2052), Sec. 2, eff. September 1, 2009.

Sec. 505.157. PROJECTS RELATED TO BUSINESS ENTERPRISES IN LANDLOCKED COMMUNITIES. (a) In this section, "landlocked community" means a municipality that:

(1) is wholly or partly located in a county with a population of 2.5 million or more; and

(2) has within its municipal limits and extraterritorial jurisdiction less than 100 acres that can be used for the development of manufacturing or industrial facilities in accordance with the municipality's zoning laws or land use restrictions.

(b) For a landlocked community that authorizes or has authorized the creation of a Type B corporation, "project" also includes expenditures found by the board of directors to be required for the promotion of new or expanded business enterprises in the landlocked community.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2023, 88th Leg., R.S., Ch. 644 (H.B. 4559), Sec. 196, eff. September 1, 2023.

Sec. 505.158. PROJECTS RELATED TO BUSINESS DEVELOPMENT IN CERTAIN SMALL MUNICIPALITIES. (a) For a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, "project" also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development.

(b) A Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than $10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.159. HEARING REQUIRED TO UNDERTAKE PROJECT. (a) Except as provided by Subsection (b), a Type B corporation shall hold at least one public hearing on a proposed project before spending money to undertake the project.

(b) A Type B corporation the creation of which was authorized by a municipality with a population of less than 20,000 is not required to hold a public hearing under this section if the proposed project is defined by Subchapter C, Chapter 501.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.015(a), eff. September 1, 2009.

Sec. 505.160. ELECTION REQUIRED FOR PROJECT; PETITION. (a) A Type B corporation may undertake a project under this chapter unless, not later than the 60th day after the date notice of the specific project or general type of project is first published, the governing body of the authorizing municipality receives a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held before the specific project or general type of project is undertaken.

(b) The governing body of the authorizing municipality is not required to hold an election after the submission of a petition under Subsection (a) if the voters of the municipality have previously approved the undertaking of the specific project or general type of project:

(1) at an election ordered for that purpose by the governing body of the municipality; or

(2) in conjunction with another election required under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.161. PUBLIC PURPOSE DESIGNATION; EXEMPTION FROM TAXATION. (a) The legislature finds for all constitutional and statutory purposes that:

(1) a project of the type added to the definition of "project" by this subchapter is owned, used, and held for a public purpose for and on behalf of the municipality that authorized the creation of the Type B corporation; and

(2) except as otherwise provided by this section, Section 501.160 of this subtitle and Section 25.07(a), Tax Code, do not apply to a leasehold or other possessory interest granted by a Type B corporation during the period the corporation owns projects on behalf of the authorizing municipality.

(b) A project is exempt from ad valorem taxation under Section 11.11, Tax Code, for the period described by Subsection (a)(2) of this section.

(c) This subsection applies only if the voters of the authorizing municipality of a Type B corporation have not approved the adoption of a sales and use tax for the benefit of the corporation under Section 505.251. An ownership, leasehold, or other possessory interest of a person other than the corporation in real property constituting a project of the corporation described by this section:

(1) is subject to ad valorem taxation under Section 25.07(a), Tax Code; or

(2) if the interest was created under an agreement entered into by the corporation before September 1, 1999, is covered by the provisions of the law codified by this section that govern ad valorem taxation of the ownership, leasehold, or other possessory interest that were in effect on the date the agreement was executed.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER E. SPORTS VENUE PROJECTS AND RELATED INFRASTRUCTURE

Sec. 505.201. DEFINITIONS. In this subchapter:

(1) "Related infrastructure" has the meaning assigned by Section 334.001.

(2) "Sports venue" means an arena, coliseum, stadium, or other type of area or facility that is primarily used or is planned for primary use for one or more professional or amateur sports or athletics events and for which a fee is charged or is planned to be charged for admission to the sports or athletics events, other than occasional civic, charitable, or promotional events. The term does not include an arena, coliseum, stadium, or other type of area or facility that is or will be owned and operated by a state-supported institution of higher education.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.202. ELECTION: USE OF TAX PROCEEDS FOR SPORTS VENUE PROJECTS. (a) An authorizing municipality may submit to the voters of the municipality a ballot proposition that authorizes the Type B corporation to use the sales and use tax, including any amount previously authorized and collected, for a specific sports venue project, including related infrastructure, or for a specific category of sports venue projects, including related infrastructure.

(b) The project or category of projects described by Subsection (a) must be clearly described on the ballot so that a voter is able to discern the limits of the specific project or category of projects authorized by the proposition. If maintenance and operating costs of an otherwise authorized facility are to be paid from the sales and use tax, the ballot language must clearly state that fact.

(c) The authorizing municipality may submit the ballot proposition at:

(1) an election held under another provision of this subtitle, including the election at which the proposition to initially approve the adoption of a sales and use tax for the benefit of the Type B corporation is submitted; or

(2) a separate election to be held on a uniform election date.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.203. PUBLIC HEARING PRECEDING ELECTION. Before an election may be held under Section 505.202, a public hearing must be held in the authorizing municipality to inform the municipality's residents of the cost and impact of the project or category of projects. At least 30 days before the date set for the hearing, notice of the date, time, place, and subject of the hearing must be published each week until the date of the hearing in a newspaper with general circulation in the municipality in which the project is located.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.204. LIMITATION ON SUBSEQUENT ELECTION. If a majority of the voters voting on the issue do not approve a specific sports venue project or a specific category of sports venue projects at an election under Section 505.202, another election concerning the same project or category of projects may not be held before the first anniversary of the date of the most recent election disapproving the project or category of projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.205. SUBSEQUENT APPROVAL OF ADDITIONAL PROJECTS. Prior approval of a specific sports venue project at an election or completion of a specific sports venue project approved at an election does not prevent an authorizing municipality from seeking voter approval of an additional project or category of projects under this subchapter to be funded from the same sales and use tax that is used to fund the previously approved sports venue project.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.206. EFFECT OF SUBCHAPTER ON ELECTION AUTHORITY. This subchapter does not affect an authorizing municipality's authority to call an election under this chapter to impose a sales and use tax for any purpose authorized by this chapter after the sales and use tax described by this subchapter is, in accordance with Section 505.258, no longer collected.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.251. TAX AUTHORIZED. The governing body of the authorizing municipality by ordinance may adopt a sales and use tax for the benefit of a Type B corporation if the tax is approved by a majority of the voters of the municipality voting at an election held for that purpose in accordance with Chapter 321, Tax Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.252. SALES TAX. (a) If the authorizing municipality adopts the tax under Section 505.251, a tax is imposed on the receipts from the sale at retail of taxable items within the municipality at the rate approved at the election.

(b) The rate of a tax adopted under this chapter may be any rate that is an increment of one-eighth of one percent, that the authorizing municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 505.256(a).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 9, eff. September 1, 2015.

Sec. 505.253. USE TAX. (a) If the authorizing municipality adopts the tax under Section 505.251, an excise tax is imposed on the use, storage, or other consumption within the municipality of tangible personal property purchased, leased, or rented from a retailer during the period that the tax is effective within the municipality.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the sales and use tax and is applied to the sale price of the tangible personal property.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.254. SPECIFICATION OF TAX RATE ON BALLOT. In an election held to adopt the sales and use tax under this chapter, the ballot proposition must specify the rate of the tax to be adopted.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.255. ADOPTION OF TAX AT ELECTION TO REDUCE OR ABOLISH TAX FOR TYPE A CORPORATION. A municipality that holds an election to reduce the rate of or abolish a tax imposed under Chapter 504 may in the same proposition or in a separate proposition on the same ballot adopt a tax under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.256. APPLICABILITY OF TAX CODE. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, collection, and remittance of the sales and use tax, except as inconsistent with this chapter. An authorizing municipality may not adopt a rate under this chapter that, when added to the rates of all other sales and use taxes imposed by the authorizing municipality and other political subdivisions of this state having territory in the authorizing municipality, would result in a combined rate exceeding two percent at any location in the municipality.

(b) Except as provided by this subsection, the tax imposed under this chapter takes effect as provided by Section 321.102(a), Tax Code. If an election is held under this chapter at the same time an election is held to impose or change the rate of the additional municipal sales and use tax, the tax under this chapter and the imposition or change in rate of the additional municipal sales and use tax take effect as provided by Section 321.102(b), Tax Code.

(c) After the effective date of the taxes imposed under this chapter, the adoption of a sales and use tax or the attempted adoption of a sales and use tax by the authorizing municipality or another taxing jurisdiction having territory in the municipality does not impair the taxes imposed under this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 10, eff. September 1, 2015.

Sec. 505.2565. LIMITATION ON DURATION OF TAX. (a) At an election held under Section 505.251, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the period for imposition of a sales and use tax.

(b) An authorizing municipality that has imposed a tax for a limited time under this section may extend the period of the tax's imposition or reimpose the tax only if the extension or reimposition is approved by a majority of the voters of the municipality voting at an election held for that purpose in the same manner as an election held under Section 504.257.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.016(a), eff. September 1, 2009.

Sec. 505.2566. ELECTION TO REDUCE OR INCREASE TAX RATE. (a) An authorizing municipality that has imposed a sales and use tax under this chapter may, in the same manner and by the same procedure as the municipality imposed the tax, reduce or increase the tax rate by a majority of the voters of the municipality voting at an election held for that purpose.

(b) On petition of 10 percent or more of the registered voters of the authorizing municipality requesting an election to reduce or increase the tax rate under this chapter, the governing body of the municipality shall order an election on the issue.

(c) The tax rate may be reduced or increased to any rate that is an increment of one-eighth of one percent, that the authorizing municipality determines is appropriate, and that would not result in a combined rate that exceeds the maximum combined rate prescribed by Section 505.256(a).

Added by Acts 2017, 85th Leg., R.S., Ch. 882 (H.B. 3045), Sec. 1, eff. June 15, 2017.

Sec. 505.257. REDUCTION OF TAX WITHIN REGIONAL TRANSPORTATION AUTHORITY. Notwithstanding any other provision of this chapter, a tax imposed under this chapter by an authorizing municipality that is located within the territorial limits of a regional transportation authority and that has been added to the territory of the authority under Section 452.6025, Transportation Code, is subject to reduction in the manner prescribed by Section 452.6025, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.2575. LIMITED SALES AND USE TAX FOR SPECIFIC PROJECT. (a) At an election held under Section 505.251, the authorizing municipality may also allow the voters to vote on a ballot proposition to limit the use of the sales and use tax to a specific project.

(b) A Type B corporation created to perform a specific project as provided by this section may retain its corporate existence and perform any other project approved by the voters of the authorizing municipality at an election held for that purpose in the same manner as Section 504.260 provides for an election held under Section 504.251. Before spending money to undertake a project, a Type B corporation shall hold a public hearing as otherwise provided by this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.016(a), eff. September 1, 2009.

Sec. 505.258. CESSATION OF COLLECTION OF TAXES. A sales and use tax imposed under this chapter may not be collected after the last day of the first calendar quarter that occurs after the Type B corporation notifies the comptroller that:

(1) all bonds or other obligations of the corporation, including any refunding bonds, payable wholly or partly from the proceeds of the sales and use tax imposed under this chapter, have been paid in full; or

(2) the total amount, exclusive of guaranteed interest, necessary to pay in full the bonds and other obligations has been set aside in a trust account dedicated to the payment of the bonds and other obligations.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.259. ELECTION REQUIREMENT FOR CERTAIN MUNICIPALITIES. For a tax under this subchapter at a rate that does not exceed one-half of one percent, the election requirement under Section 505.251 is satisfied and another election is not required if the voters of the authorizing municipality approved the imposition of an additional one-half cent sales and use tax at an election held before March 28, 1991, under an ordinance calling the election that:

(1) was published in a newspaper of general circulation in the municipality at least 14 days before the date of the election; and

(2) expressly stated that the election was being held in anticipation of the enactment of enabling and implementing legislation without further elections.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.
Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1246 (H.B. 157), Sec. 11, eff. September 1, 2015.

SUBCHAPTER G. USE OF TAX PROCEEDS

Sec. 505.301. DELIVERY OF TAX PROCEEDS. On the authorizing municipality's receipt from the comptroller of the proceeds of the sales and use tax imposed under this chapter, the authorizing municipality shall deliver the proceeds to the Type B corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.302. PAYMENT OF PROJECT COSTS, BONDS, OR OTHER OBLIGATIONS. The proceeds of the sales and use tax imposed under this chapter may be used to:

(1) pay the costs of projects of the types added to the definition of "project" by Subchapter D; or

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the Type B corporation to:

(A) pay the costs of the projects; or

(B) refund bonds or other obligations issued to pay the costs of projects.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.303. PAYMENT OF MAINTENANCE AND OPERATING COSTS; ELECTION. (a) The costs of a publicly owned and operated project purchased or constructed under this chapter include the maintenance and operating costs of the project.

(b) The proceeds of taxes may be used to pay the maintenance and operating costs of a project, unless not later than the 60th day after the date notice of the specific use of the tax proceeds is first published, the governing body of the authorizing municipality of the Type B corporation undertaking the project receives a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held before the tax proceeds may be used to pay the maintenance and operating costs of a project.

(c) The governing body of the authorizing municipality is not required to hold an election after the submission of a petition under Subsection (b) if the voters of the municipality have previously approved at an election ordered for that purpose by the governing body or in conjunction with another election required under this chapter that:

(1) the costs of a publicly owned and operated project purchased or constructed under this chapter include the maintenance and operating costs of the project; and

(2) the tax proceeds may be used to pay the maintenance and operating costs of a project.

(d) An authorizing municipality is not required to hold an election under this section if the municipality:

(1) is located in a county with a population of more than 1.3 million; and

(2) has held before February 1, 1993, an election under this chapter at which the additional sales tax was approved.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.304. PAYMENT FOR CERTAIN WATER-RELATED PROJECTS: ELECTION REQUIRED. (a) A Type B corporation may not use proceeds from the sales and use tax to undertake a project described by Section 505.154 unless the use of tax proceeds for that purpose is authorized by a majority of the voters voting at an election held in the municipality for that purpose.

(b) The ballot in an election held under this section shall be printed to provide for voting for or against the proposition: "The use of sales and use tax proceeds for infrastructure relating to __________ (insert water supply facilities or water conservation programs, as appropriate)."

(c) An election held under this section may be authorized by the governing body of an authorizing municipality subsequent to an earlier election authorized under Section 505.251.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.305. PAYMENT FOR CLEANUP OF CONTAMINATED PROPERTY; ELECTION. (a) The economic development office, with the assistance of the Texas Commission on Environmental Quality, may encourage a Type B corporation to use proceeds from the sales and use tax imposed under this chapter for the cleanup of contaminated property.

(b) Notwithstanding any other provision of this chapter, a Type B corporation may use proceeds from the sales and use tax for the cleanup of contaminated property only if the use of tax proceeds for that purpose is authorized by a majority of the voters voting at an election held in the authorizing municipality for that purpose. The ballot in an election held under this subsection shall be printed to provide for voting for or against the proposition: "The use of sales and use tax proceeds for the cleanup of contaminated property."

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER H. TERMINATION OF CORPORATION

Sec. 505.351. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a Type B corporation created on or after September 1, 1999.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.352. ELECTION TO TERMINATE EXISTENCE OF CORPORATION ON PETITION. (a) The governing body of an authorizing municipality shall order an election on the termination of the existence of the Type B corporation on receipt of a petition requesting the election that is signed by at least 10 percent of the registered voters of the municipality.

(b) The authorizing municipality shall hold the election on the first available uniform election date that occurs after the time required by Section 3.005, Election Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.353. BALLOT. The ballot for an election held under Section 505.352 shall be printed to permit voting for or against the proposition: "Termination of the __________ (name of corporation)."

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.354. TERMINATION OF EXISTENCE OF CORPORATION. (a) If a majority of the votes cast at an election held under Section 505.352 approve the termination, the Type B corporation shall:

(1) continue operations only as necessary to meet the obligations the corporation incurred before the date of the election, including paying the principal of and interest on the corporation's bonds; and

(2) liquidate the corporation's assets and apply the proceeds to satisfy the corporation's obligations, to the extent practicable.

(b) After the Type B corporation has satisfied all of the corporation's obligations, any remaining assets of the corporation shall be transferred to the authorizing municipality, and the existence of the corporation is terminated.

(c) The authorizing municipality shall promptly notify the comptroller and the secretary of state of the date the existence of a Type B corporation is terminated under this subchapter.

(d) A tax imposed under this chapter may not be collected after the last day of the first calendar quarter that begins after the authorizing municipality provides notice under Subsection (c).

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 505.355. ELECTION REJECTING TERMINATION. If less than a majority of the votes cast at an election held under Section 505.352 approve the termination, Section 505.354 has no effect.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

APPENDIX E

TEXAS ECONOMIC DEVELOPMENT COUNCIL

TEDC

DIAMOND ANNIVERSARY – 60 YEARS (1961–2021)

The Texas Economic Development Sales Tax

A Primer for Local Officials 2021 Update

Background

The economic development sales tax was created in 1989 to give smaller Texas communities the financial resources to create top-flight economic development programs. Today, the tax is the undisputed workhorse of local economic development efforts, serving as the backbone of economic development programs in more than 600 communities and 700 economic development corporations (EDCs) across the state.

During the 2021 legislative session, the TEDC once again successfully advocated against bills that would have eroded the main purpose of the economic development sales tax -- that is to help create primary jobs and enhance the overall economic vitality of communities.

Economic Impact of Thirty Years of the Economic Development Sales Tax

In 2020 the TEDC commissioned The Perryman Group to research the economic impact of the economic development sales tax over the past three decades. Dr. Perryman's findings are below:

- Over 20 percent of the net new jobs generated in Texas over the past 30 years have involved efforts funded by the economic development sales tax.
- A primary reason for Texas' economic success is tireless efforts by local economic development professionals across the state who rely on funds provided by the sales tax for economic development to compete for quality corporate locations, expansions and retentions.
- The Perryman Group estimates that the fiscal benefits to the State of Texas from projects facilitated by the sales tax by economic development include **$7.1 billion** per year, with **$4.9 billion** per year to local taxing entities across the state.
- Every dollar in economic development sales tax paid by taxpayers yields $131.84 in output an $82.42 in income.

For more than 30 years, the economic development sales tax has helped bring billions of dollars of new investment to Texas... the most important difference-maker in the history of economic development in our state.

87th Texas Legislative Session Highlights

SB 1465
Adds Chapter 489 to the Government Code and created the *"Texas Small and Rural Community Success Fund"* administered by the State Comptroller's Office. SB 1465 amends Section 501.008 of the Act and authorizes Type A and Type B corporations to obtain loans pursuant to the fund for eligible projects. Type A and Type B corporations can pledge its revenue for said loans. SB 1465 became effective June 18, 2021.

HB 2404
Adds Chapter 403 of the Government Code and amends Chapter 380 an 381 of the Texas Local Government Code. HB 2404 requires the Comptroller's Office to create a database for Chapter 380 and 381 agreement to be viewed on its website. HB 2404 is effective September 1, 2021. Information on old active agreements must be submitted by January 1, 2022. The City or county has 14 days from entering into agreement to submit information to the Comptroller. There is a $1,000 penalty for non-compliance.

1979 Development Corporation Act passed authorizing cities to create economic development corporations

1989 4A tax authorized to provide funding source for recruiting and retaining manufacturing and industrial projects.

1991 4B tax authorized for broader community development projects.

1997 State reporting requirement enacted. 4A corporations authorized to undertake 4B projects with voter approval.

1999 Allowable 4A and 4B projects expanded to include targeted infrastructure, job creation and retention, job training, and educational facilities.

2001 R&D facilities added as eligible projects. Training requirements established.

2005 Restrictions on retail incentives removed for certain communities. Certain sewer utilities, site improvements and military projects added as eligible projects. Call centers added to definition of primary jobs.

2007 Light or commuter rail, or motor buses added to eligible projects. Hangars, airport maintenance and repair and air cargo facilities, related infrastructure located on or adjacent to an airport added to eligible 4B projects.

2009 Statute re-codified into Local Government Code, effective 4/1/09.

2015 HB 157 passed authorizing a city to hold an election to reallocate sales tax revenue within the two percent local sales tax cap.

2019 Deadline to file annual reports with the Texas Comptroller changed to April 1.

Pursuant to the economic development sales tax law, most Type A projects must create or retain PRIMARY JOBS. Exceptions to this rule include business airports, port-related facilities, job training classes, career centers and certain infrastructure improvements that promote new and expanded business enterprises.

The economic development sales tax statute defines a PRIMARY JOB as a job: (1) available at a company for which a majority of the products or services of that company are ultimately exported to regional, statewide, national, or international markets, infusing new dollars into the local economy; and (2) included in one of the following sectors of the North America Industry Classification System (NAICS).

Eligible NAICS Codes

111	Crop Production
112	Animal Production
113	Forestry and Logging
11411	Commercial Fishing
115	Support Activities for Agriculture and Forestry
211 to 213	Mining
221	Utilities
311 to 339	Manufacturing
42	Wholesale Trade
48 and 49	Transportation and Warehousing
51	Information, excluding movie theaters (51213) and drive-in theaters (512132)
523-525	Securities, Commodity Centers, and Other Financial Investments and Related Activities;Insurance Carriers and Related Activities; Funds, Trusts and Other Financial Vehicles
5413, 5415, 5416, 5417 and 5419	Scientific Research and Development Services
551	Management of Companies and Enterprises
56142	Telephone Call Centers
92140	Correctional Institutions
928110	National Security

Type A Eligible Projects

- Land, buildings, equipment, facilities, improvements, and expenditures that are for the creation and retention of primary jobs and suitable for the development, retention, or expansion of the following types of projects: manufacturing, industrial, research & development, recycling, small warehouses, distribution centers, regional or national corporate headquarters, closed or realigned military bases, and primary job training facilities by higher education institutions
- Job training classes and career centers (no primary job requirement)
- Business airport facilities and port-related facilities
- Clean-up of contaminated project sites (with a special election and specific ballot language)
- Infrastructure assistance to retail or commercial projects
- Business-related sewer utilities and site improvements
- Beach remediation in Gulf communities required or suitable to promote or develop new or expanded business enterprise
- Projects designed to attract new military missions, prevent the closure of existing missions, and redevelop a closed or realigned military base
- General airport facilities for communities located 25 miles from the US/Mexico border only
- Light rail, commuter rail, or motor buses
- Type B projects with voter approval
- The City of Port Arthur is authorized to use the tax on certain general infrastructure, job training and university housing projects
- Ownership of a certain project based in Hidalgo County

Type B Eligible Projects

- Everything authorized under Type A, including retail and commercial projects with the same restrictions
- Water supply facilities (with a special election and specific ballot language)
- Projects that improve a community's quality of life, including parks, professional and amateur sport and athletic facilities, tourism and entertainment facilities, affordable housing, and other improvements or expenditures that promote new or expanded business activity that create or retain primary jobs.
- Projects designed to attract new military missions, prevent the closure of existing missions, and redevelop a closed or realigned military base.
- Sewer or solid waste disposal facilities in Hidalgo County
- Direct incentives for retail in communities with fewer than 20,000 residents and certain land-locked cities
- Hangars, airport maintenance and repair facilities, air cargo facilities, related infrastructure located on or adjacent to an airport facility
- Airport facilities provided that the eligible municipality enter into an approved development agreement with an entity that acquires a leasehold or other possessory interest from the economic development corporation
- Rail ports, rail switching facilities, marine ports, and inland ports

The Economic Development Sales Tax: Working for Texas

The economic development sales tax is the state's largest and most effective local revenue source for economic development. The best way to protect the tax for years to come is to use it with caution, care, and common sense.

The Texas Economic Development Council (TEDC) will continue to advocate, educate, and inform economic development professionals, local officials, and lawmakers on developments related to the tax, including best practices. The TEDC will continue to offer state-mandated training for local economic development officials, which provides the tools and knowledge needed to develop and implement effective economic development programs.

Key Contacts

Carlton Schwab
President & CEO
Texas Economic Development Council
Phone: 512-480-8432
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Website: www.texasedc.org

Texas Comptroller's Local Government Assistance
Phone: 800-531-5441 or 512-463-6073
Website: https://comptroller.texas.gov

For More Information About the Economic Development Sales Tax

The Texas Municipal League (TML) publishes an Economic Development Handbook. This comprehensive document provides a legal and technical overview of Texas state and local economic development programs, including an extensive section on the economic development sales tax. Please visit https://www.tml.org/185/Economic-Development-Handbook-2017.

The Comptroller of Public Accounts (https://comptroller.texas.gov) provides extensive information on the economic development sales tax, links to relevant statutes, and a link to the online mandatory annual expenditure reporting form.

Key Terminology

Economic Development Corporations (EDCs) are legal entities with the statutory authority to spend economic development sales tax dollars. The EDCs are city-chartered and governed by a city-appointed board of directors. EDCs are referred to as either "Type A" or "Type B" depending on the type of economic development sales tax uses approved by the local voters.

Chapters 501-501, Local Government Code is the section of the Texas law that contains the rules governing the uses of the economic development sales tax, including eligible uses of revenues and procedures that must be followed to enact the tax.

TEXAS ECONOMIC DEVELOPMENT COUNCIL
TEDC
DIAMOND ANNIVERSARY – 60 YEARS (1961–2021)

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APPENDIX F

PEDC Code of Ethics and Rules of Order

Effective January 2024

Resolution No. EDC 2024-01-03-R01

1. CODE OF ETHICS

1.1 GENERAL

These **Code of Ethics**, subject to any applicable city ordinance, statute, or other legal requirement, shall be applicable to all members of the board of the Princeton Economic Development Corporation (the “PEDC”).

The City Council of the City of Princeton, Texas (the “City Council”) is the judge and qualifications of PEDC members within the parameters established by Texas law, the City’s Home Rule Charter, and the City Council’s Bylaws, as amended.

The City Council and PEDC must bear the responsibility for the integrity of governance. This policy is designed to ensure efficient and effective governance.

The Board comprises the governing body for PEDC: therefore, the Board must bear the initial responsibility for the integrity of governance. The PEDC is primarily responsible for its own development (both as a body and as individuals), its responsibilities, its own discipline, and its own performance, as overseen by and in accordance with the PEDC Bylaws, as approved by the City Council.

This policy will address certain internal PEDC relations, Board and Staff relations, and PEDC and Media relations. By adopting these guidelines for appointed officials, we acknowledge our responsibility to each other, to our professional staff and to the public as a whole. It must be understood as an additive with all ethical rules imposed by state or federal law.

The Board will govern the PEDC in a manner associated with a commitment to the preservation of the values and integrity of representative local government and democracy, and a dedication to the promotion of efficient and effective governing. The following statements will serve as a guide and acknowledge the commitment being made in this service to the community.

The PEDC shall prioritize the continual improvement of the Board members’ professional ability and the promotion of an atmosphere conducive to the fair exchange of ideas and policies among the Board.

The Board will endeavor to keep the community informed on municipal affairs; encourage communication between the public and the PEDC; strive for strong, working relationships with neighboring political subdivisions and communities.

In its governance role, the Board will continue to be dedicated to friendly and courteous relationships with Staff, each other, and the public, and seek to improve the quality and image of public service.

The PEDC will also strive to recognize its responsibility to future generations by addressing the interrelatedness of the social, cultural, and physical characteristics of the community when making policies. The Board will make a commitment to improve the quality of life for the individual and the community, and to be dedicated to the faithful stewardship of the public trust.

1.2 POLICY PURPOSE

The PEDC adopts this Code of Ethics to assure that all appointed Board members, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of government.

1.3 GOVERNING BODY CODE OF ETHICS

The residents and businesses of the City of Princeton, Texas ("Princeton" or the "City") are entitled to have fair, ethical and accountable local government. To this end, the public should have full confidence that their elected and appointed officials:

- Comply with both the letter and spirit of the laws and policies affecting the operations of government;
- Are independent, impartial and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility.

Therefore, members of the PEDC Board, the PEDC Staff and all employees shall conduct themselves in accordance with the following ethical standards:

1. Act in the Public Interest. Recognizing that stewardship of the public interest must be their primary concern, members will work for the common good of the people of Princeton and not for any private or personal interest, and they will endeavor to achieve fair and equal treatment of all persons, claims and transactions coming before them.

2. Comply with both the spirit and the letter of the Law and City Policy. Members shall comply with the laws, rules, and regulations of the nation, the State of Texas, and the City in the performance of their public duties.

3. Conduct of Members. The professional and personal conduct of members while exercising their office must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the Board, members of the City Council or other boards, committees, or commissions of the City, or the City's employees or staff.

4. Respect for Process. Members shall perform their duties in accordance with the processes and rules of order duly established by the PEDC Board of Directors and City Council, including, without limitation, the Articles of Incorporation, the City's Home Rule Charter, PEDC Bylaws, and the City Council Bylaws, as amended.

5. Conduct at Public Meetings. Members shall endeavor to prepare themselves for public issues; listen courteously and attentively to all public discussions before the body; and focus on the business at hand.

6. Decisions Based on Merit. Members shall use sound legislative discretion and base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations. When making adjudicative decisions (those decisions where the member is called upon to determine and apply facts peculiar to an individual case), members shall maintain an open mind until the conclusion of the hearing on the matter and shall base their decisions on the facts presented at the hearing and any and all applicable laws, rules, regulations, policies, standards, and procedures.

7. Communication. For adjudicative matters pending before the body, members shall refrain from receiving information outside of an open public meeting or the agenda materials, except on advice of the PEDC Attorney. Members shall publicly disclose substantive information that is relevant to a matter under consideration by the body, which they may have received from sources outside of the public decision-making process.

8. Conflict of Interest. In order to assure their independence and impartiality on behalf of the common good and compliance with conflict-of-interest laws, members shall use their best efforts to refrain from creating an appearance of impropriety in their actions and decisions. Members shall not use their official positions to influence government decisions in which they have (a) a material financial interest, (b) an organizational responsibility or personal relationship which may give the appearance of a conflict of interest, or (c) a strong personal bias.

A Board member who has a potential conflict of interest regarding a particular decision shall disclose the matter to the PEDC Attorney and reasonably cooperate with the PEDC Attorney to analyze the potential conflict. If advised by the PEDC Attorney to seek advice from the Texas Ethics Commission (TEC) or other appropriate state agency, a Board member shall not participate in a decision unless and until he or she has requested and received advice allowing the member to participate. A Board member shall diligently pursue obtaining such advice and shall be solely responsible for raising a potential conflict of interest to the PEDC Attorney, as provided in this section. The Board the PEDC President, PEDC Chairperson, and the PEDC Attorney a copy of any written request or advice and conform his or her participation to the advice given. In providing assistance to any Board member, the PEDC Attorney represents the PEDC and not individual members. In accordance with the law, members shall disclose investments, interests in real property, sources of income, and gifts; and if they have a conflict of interest regarding a particular decision, shall not, once the conflict is ascertained, participate in the decision, and shall not discuss or comment on the matter in any way to any person including other members unless otherwise permitted by law.

9. Gifts and Favors. Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.

10. Confidential Information. Members must maintain the confidentiality of all written materials and verbal information provided to members, which is confidential or privileged. Members shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial, or other private interests.

11. Use of Public Resources. Members shall not use public resources, which are not available to the public in general (e.g., staff time, equipment, supplies or facilities) for private gain or for personal purposes not otherwise authorized by law.

12. Representation of Private Interests. In keeping with their role as stewards of the public interest, members of Board shall not appear on behalf of the private interests of third parties before the PEDC or any other board, committee, or commission of the City; nor shall members of the Board appear before its own body or before the City Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.

13. Advocacy. Members shall represent the official policies or positions of the Board to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they neither represent the PEDC nor the City, nor will they allow the inference that they do.

14. Policy Role of Members. Members shall respect and adhere to the council- manager structure of Princeton City government as outlined in the City's Home Rule Charter and any and all applicable rules, regulations, polices, and procedures of the City. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by City staff, Boards, and the public. Except as provided by the City Code, members shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions. The PEDC is not a board of appeals for members of the public or employees who are displeased with any City employee's exercise of lawful authority.

15. Positive Workplace Environment. Members shall support the maintenance of a positive and constructive workplace environment for employees, members of the public, and businesses dealing with the City. Members shall recognize their special role in dealings with employees to in no way create the perception of inappropriate direction to staff.

1.4 SANCTIONS

a. Acknowledgement of Code of Ethics

Board members who do not sign an acknowledgement that they have read and understand the Code of Ethics shall be ineligible for intergovernmental assignments or PEDC subcommittees. Board members who do not sign an acknowledgement that they have read and understand the Code of Ethics are not eligible to hold office.

b. Ethics Training for Local Officials

Board Members shall be in compliance with any and all State-or City-mandated requirements for ethics training.

c. Behavior and Conduct

The PEDC's Code of Ethics expresses standards of ethical conduct expected for members of the PEDC. Members themselves have the primary responsibility to ensure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government. The PEDC Chairperson shall have the additional responsibility to intervene when the actions of members appear to be in violation of the Code of Ethics.

Board Members:

Counseling, verbal reprimands and written warnings may be administered by the Mayor to Board members failing to comply with PEDC policy. These lower levels of sanctions shall be kept private to the degree allowed by law. Copies of all written reprimands administered by the Mayor shall be distributed in memo format to the PEDC Chairperson, the PEDC Attorney, and the City Council.

The City Council may impose sanctions on Board members whose conduct does not comply with the City's policies, up to and including removal from office, as provided by state law. Any form of discipline imposed by the City Council shall be in accordance with state law and determined by a majority vote of at least a quorum of the Council at a noticed public meeting and such action shall be preceded by a Report to Council with supporting documentation.

When deemed warranted, the Mayor or majority of the City Council may call for an investigation of Board member conduct. Also, should the PEDC President or PEDC Attorney believe an investigation is warranted, they shall confer with the Mayor or City Council. The Mayor or City Council shall ask the PEDC President or the PEDC Attorney to investigate the allegation and report the findings.

These sanctions are alternatives to any other remedy that might otherwise be available to remedy conduct that violates this code or state or federal law. In order to protect and preserve good government, any individual including the PEDC President and the PEDC Attorney, after complying with Rule 1.12 of the Texas Disciplinary Rules of Professional Conduct, who knows or reasonably believes a member acts or intends or refuses to act in a manner that is or may be a violation of law reasonably imputable to the organization, or in a manner which is likely to result in substantial injury to the organization, may report the violation to the appropriate governmental authorities.

1.5 IMPLEMENTATION

The Code of Ethics is intended to be self-enforcing and is an expression of the standards of conduct for PEDC Board members expected by the PEDC and City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, this document shall be included in the regular orientations for candidates for newly appointed members of the PEDC Board. Members entering office shall sign a statement acknowledging they have read and understand the Code of Ethics. In addition, the Code of Ethics shall be periodically reviewed by the City Council and Boards, to be updated as necessary.

1.6 CONFLICTS

Should any term, provision, or section of these Code of Ethics be in conflict with any term, provision, or section of the PEDC's Articles of Incorporation, the City's Home Rule Charter, the City Council's Bylaws, or the PEDC's Bylaws, the term, provision, or section of said document shall govern and supersede these Code of Ethics to the extent inconsistent.

2. RULES OF ORDER

2.1 GENERAL PROCEDURE

These **Rules of Order**, consistent with the Texas Municipal League recommendations, subject to any applicable city ordinance, statute, or other legal requirement, shall be used in the conduct of official business for the PEDC.

2.2 BOARD DELIBERATIONS AND ORDER OF SPEAKERS

The Chairperson has been delegated the responsibility to control the debate and the order of speakers. Speakers will generally be called upon in the order of the request to speak. With the concurrence of the Chairperson, a Board member holding the floor may address a question to another Board member and that Board member may respond while the floor is still held by the Board member asking the question. A Board member may opt not to answer a question while another Board member has the floor.

2.3 LIMIT DELIBERATIONS TO ITEM AT HAND

Board members will limit their comments to the subject matter, time or motion being currently considered by the PEDC.

2.4 LENGTH OF BOARD COMMENTS

Board members will govern themselves as to the length of their comments or presentation. As a courtesy, the Chairperson will signal by hand to a Board member who has been speaking for over five (5) minutes, or longer, depending on the subject matter at hand. This procedure is not meant to limit debate or to cut comments short, but rather to assist Board members in their efforts to communicate concisely.

2.5 OBTAINING THE FLOOR

Any member of the PEDC wishing to speak must first obtain the floor by being recognized by the Chairperson. The Chairperson must recognize any Board member who seeks the floor when appropriately entitled to do so.

2.6 MOTIONS

Motions may be made by any member of the Board, unless otherwise provided in these Rules of Order, the PEDC's Code of Ethics, or other law, rule, regulation, policy, standard, or procedure. The opportunity for making a motion should be offered by the Chairperson to other members of the Board. Any member of the Board, other than the person offering the motion, may second a motion.

2.7 PROCEDURES FOR MOTIONS

The following is the general procedure for making motions after an item has been introduced and discussed:

a. Before a motion can be considered or debated it must be seconded.

b. A Board member who wishes to make a motion should do so through a verbal request to the Chairperson.

c. A Board member who wishes to second a motion should do so through a verbal request to the Chairperson.

d. Once the motion has been properly made and seconded, the Chairperson shall open the matter for discussion offering the first opportunity to the moving party and, thereafter, to any Board member properly recognized by the Chairperson.

e. Once the motion has been fully discussed and the Chairman calls for a vote, no further discussion will be allowed. Board members may be permitted to explain their vote, after roll call, for no longer than one minute per Board member.

MOTION AMENDMENTS

When a motion is on the floor and an amendment is offered, the amendment should be acted upon prior to acting on the main motion. No motion of a subject different from that under consideration shall be admitted as an amendment. A motion to amend an amendment shall be in order, but one to amend an amendment to an amendment shall not be in order. Action shall be taken on the amended amendment prior to any other action to further amend the original motion.

MOTION TO CONTINUE

A motion to continue will leave the motion in its present condition for consideration on a date and time certain.

MOTION TO REMOVE

A motion to remove will take the matter off the agenda and will not be considered by the PEDC for an indefinite period of time.

MOTION TO TABLE

A motion to table will delay consideration of the item being discussed by the PEDC until a specified date in the future.

MOTION TO POSTPONE INDEFINITELY

A motion to postpone indefinitely will kill or reject the item under consideration.

MOTION TO REFER

A motion to refer, if passed, forwards the item under consideration to the named group, committee, or board for further study.

MOTION TO LAY ON THE TABLE

A motion to lay on the table allows the item to be temporarily set aside under discussion.

MOTION TO TAKE FROM THE TABLE

A motion to take from the table allows the matter to be discussed again and would only be used in conjunction with a motion to lay on the table at the same meeting.

WITHDRAWAL OF MOTION

A withdrawal of motion indicates a motion may be withdrawn by the Board member who originally made the motion at any time prior to its passage. If the motion is withdrawn, the Board member who seconded the motion may withdraw his/her second.

MOTION FOR RECONSIDERATION

A motion for reconsideration may be made at the same meeting or at the next succeeding meeting following PEDC action, as long as the reconsideration request complies with the requirements of the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

A motion for reconsideration may only be made by a Board member who voted with the majority of the PEDC on the action proposed to be reconsidered by the PEDC. Any member of the PEDC may second a motion for reconsideration.

2.8 VOTING

Abstention

a. If a Board member abstains because of a legal conflict, he/she is not counted as present for quorum purposes and is not deemed to be "voting" for purposes of determining whether there has been a "majority vote of those voting and present."

b. When a Board member abstains or excuses himself/herself from a portion of a Board meeting because of a legal conflict of interest, the Board member must briefly state, on the record, the nature of the conflict and fill out the prescribed form with the City Secretary or PEDC Staff prior to the meeting. State law requires the inclusion of this information in the public record.

c. A Board member who abstains from the vote shall be allowed to remain seated but must refrain from all discussion. It is recommended that the member vacate the meeting chamber during such deliberation to avoid any appearance of participation as prohibited by state law.

Tie Votes

In the event of a tie vote between the voting Board members, the Chairperson shall conduct additional deliberations regarding the consequences of the Board's inaction on the item and shall request that any Board members who abstained or otherwise failed to cast a valid vote either for or against the proposed action who are not disqualified from voting on the item by law to participate in the next vote taken on that item, unless such Board members are required to recuse themselves from decision by operation of Texas law or the applicable bylaws. After allowing a suitable time for discussion of the consequences and potential means of breaking the tie among voting members, the Chairperson shall call for a Motion to Reconsider, or a new motion to take some kind of action on the item and conduct a roll call vote to determine if the tie has been broken. The Chairperson shall repeat this process until it is apparent that the deadlock cannot be broken during that meeting, at which time the Chairperson shall call for a Motion to Postpone the item to the next available meeting agenda.

Voting

At the end of discussion, the Chairperson will call for a vote, and every member shall vote, unless noted for the record as an abstention or recusal.

2.9 NON-OBSERVANCE OF RULES

Rules adopted to expedite and facilitate the transaction of the business of the PEDC in an orderly fashion shall be deemed to be procedural only, and the failure to strictly observe any such rules shall not affect the jurisdiction of, or invalidate any action taken by the PEDC.

2.10 USE OF ELECTRONIC DEVICES

a. Board members are strongly encouraged not to text or use social media during the course of a meeting. Any communications between Board members during an PEDC meeting must occur verbally and in view of the public.

b. Board members shall not communicate or participate in a discussion with a quorum of the PEDC relative to PEDC business via email, text, or other social media. The prohibitions of the Open Meetings Act apply, regardless of the medium of the communication.

c. Board members are strongly encouraged to only use City-issued email addresses for any official PEDC business. Use of personal emails, cell phones or computers to conduct PEDC business subjects the personal device to the Public Information Act disclosure requirements.

2.11 PUBLIC HEARINGS, IN GENERAL

The PEDC procedure for the conduct of Public Hearings is generally as follows:

a. Staff presents its report.

b. Board members may ask questions of staff.

c. If applicable, the applicant or appellant then has the opportunity to present comments, testimony, or arguments. In the case of an appeal when the appellant is different from the applicant, the appellant should be called upon first to provide comments or testimony. The applicant or appellant shall have a total of fifteen (15) minutes for a presentation when recognized by the Chairperson or presiding officer.

The initial comments or presentation shall be limited to ten (10) minutes and the rebuttal or concluding comments shall be limited to five (5) minutes, unless it is determined by the Chairperson that more time is needed based on the subject matter at hand.

d. Board members may ask questions of the applicant and/or appellant.

e. The Chairperson opens the Public Hearing and announces its starting time.

f. Members of the public are provided the opportunity to ask questions of an informational nature and speak in favor or in opposition of the agenda item, at the direction of the Chairperson.

g. In the case of an appeal when the appellant is different from the applicant, both are given the opportunity for rebuttal or closing comments.

h. The Public Hearing is closed, with the Chairperson announcing the closing time.

i. The PEDC Board deliberates on the issue.

j. If the Board raises new issues through deliberation and seeks to take additional public testimony, the Public Hearing must be reopened. At the conclusion of the public testimony, the Public Hearing is again closed.

k. The PEDC deliberates and takes action.

l. The Chairperson announces the final decision of the PEDC.

2.12 CONTINUANCE OF PUBLIC HEARINGS

Any Public Hearing being held, noticed or ordered to be held by the PEDC may, by order, notice or motion, be continued to any subsequent meeting.

2.13 PUBLIC DISCUSSION AT HEARINGS

When a matter for Public Hearing comes before the PEDC, the Chairperson will open the Public Hearing. Upon opening the Public Hearing and before any motion is adopted related to the merits of the issue to be heard, the Chairperson shall inquire if there is anyone present who desires to speak on the matter which is to be heard or to present evidence regarding the matter.

a. Public Member Request to Speak

Any person wishing to speak at a Public Hearing scheduled on the agenda shall complete a Public Meeting Appearance Card prior to the beginning of the PEDC Meeting and present said Card to the City Secretary or designee. Upon being recognized by the Chairperson, the person may speak or present evidence relevant to the matter being heard. No person may speak without first being recognized by the Chairperson. All persons wishing to speak on the matter shall be limited to three (3) minutes each and there shall be a cumulative limit of sixty (60) minutes for all those speaking in favor of an item or in opposition. The time limit may be extended by a majority vote of the PEDC.

b. Time Limits

The Chairperson, with the concurrence of the PEDC, may alter any of the enumerated time allocations based on the complexity of the item and the number of persons wishing to speak on the item.

c. Questions of Speakers

Members of the PEDC who wish to ask questions of the speakers or each other during the Public Hearing portion may do so, but only after first being recognized by the Chairperson. Interaction with the speaker shall be limited to a question or questions, rather than an ongoing dialogue.

d. Materials for Public Record

All persons interested in the matter being heard by the PEDC shall be entitled to submit written evidence or remarks, as well as other graphic evidence. All such evidence presented will be retained by the City Secretary's Office as part of the record of the hearing, in accordance with the requirements of State law.

e. Germane Comments

During the Public Hearing, no person will be permitted to speak about matters or present evidence which is not germane to the matter being considered. A determination of relevance shall be made by the Chairperson but may be appealed to the full PEDC.

2.14 COMMUNICATIONS AND PETITIONS

Written communications and petitions concerning the subject matter of the hearing will be noted, read aloud, or summarized by the Chairperson. A reading in full shall take place if requested by any member of the PEDC.

2.15 STAFF PRESENTATIONS

Staff presentations will be concise and will provide factual background information on the item as well as a recommendation for the PEDC.

2.16 ORAL PRESENTATIONS BY MEMBERS OF THE PUBLIC

The following procedures will guide oral presentations by members of the public at PEDC meetings:

a. Prior to the meeting, persons wishing to address the PEDC should complete a Public Meeting Appearance Card and present it to the Chairperson or PEDC Staff.

b. When called upon, the person should come to the podium state his/her name and address for the record, and, if speaking for an organization or other group, identify the group represented.

c. All remarks should be addressed to the PEDC as a whole, not to individual members.

d. Questions, if any, should be directed to the presiding officer who will determine whether, or in what manner, an answer will be provided.

2.17 PUBLIC APPEARANCE & COMMENTS

This portion of the PEDC meeting is set aside for members of the public to address the PEDC on any item of business that is not formally scheduled on the agenda as a Public Hearing item. Members of the public should complete a Public Meeting Appearance Card prior to the meeting and present it to the PEDC Chairperson or Staff.

a. Public Appearance

At this time, any person may address the PEDC Board regarding an item on this meeting agenda that is not scheduled for a public hearing. Also, at this time any person may address the PEDC regarding an item that is not on this meeting agenda. Each person will be allowed up to three (3) minutes to speak but may be extended for an additional two (2) minutes with the approval of a majority of the Board. No discussion or action may be taken at this meeting on items not listed on this agenda, other than to make statements of specific factual information in response to a citizen's inquiry or to recite existing policy in response to the inquiry.

b. PEDC Business

Presentations under Public Appearance are limited to items within the subject matter jurisdiction of the PEDC.

c. No Board Deliberations

In compliance with the Texas Open Meetings Act, PEDC may not deliberate or vote on any matter raised in the Public Appearance segment, except to request that such matter should be placed on a future PEDC agenda. The Chairperson, however, may request the President or PEDC Staff to provide additional information on a matter of general interest to the full PEDC, the public at large and to the citizen making the comment. Brief factual responses may be made consistent with the limitations imposed by state law.

2.18 PUBLIC DECORUM AND DISORDERLY CONDUCT

The Chairperson shall ensure that all comments addressed to the body be factual in nature, relative to PEDC business. The Chairperson shall require that all persons speaking address the body with respect, decorum and prevent personal and disparaging comments. The Board may not respond to citizen comments except as provided and the Chairperson shall endeavor to ensure that members of the governing body address the public with respect, decorum and prevent personal and disparaging comments. The making of disparaging remarks may rise to the level of disorderly conduct and the person may be removed as allowed by law.

2.19 PUBLIC MEETING APPEARANCE CARDS

Public Meeting Appearance Cards may be used by members of the public who do not wish to or cannot verbally address the PEDC during a Public Hearing. A person may indicate his/her comments and support or opposition for an agenda item on a Public Meeting Appearance Card. During the public testimony regarding the item, the Chairperson will indicate that the PEDC has received written comments from certain individuals in support of the project or issue and from certain individuals in opposition. The minutes will reflect the PEDC's receipt of written comments in support or opposition of the project or issue.

2.20 REPETITIOUS COMMENTS PROHIBITED

a. A speaker shall not present the same or substantially the same items or arguments to the PEDC repeatedly or be repetitious in presenting their oral comments. Nothing in the foregoing precludes submission of comments to the PEDC in writing, for such action or non-action as the PEDC, in its discretion, may deem appropriate.

b. In order to expedite matters and to avoid repetitious presentations, the designation of a spokesperson is encouraged. Whenever any group of individuals wishes to address the PEDC on the same subject matter, those individuals are encouraged to designate a spokesperson to address the PEDC. With the consent of the PEDC, the Chairperson may extend the time allocation for a designated spokesperson not to exceed fifteen (15) minutes.

2.21 NON-EXHAUSTIVE RULES

The rules set forth are neither exclusive nor exhaustive and do not limit the inherent power and general legal authority of the PEDC, or of its presiding officer, to govern the conduct of PEDC Board meetings as may be considered appropriate from time to time, or in particular circumstances, for purposes of orderly and effective conduct of the affairs of the PEDC.

2.22 CONFLICTS

Should any term, provision, or section of these Rules of Order be in conflict with any term, provision, or section of the PEDC's Articles of Incorporation, the City's Home Rule Charter, the City Council's Bylaws, or the PEDC's Bylaws, the term, provision, or section of said document shall govern and supersede these Rules of Order to the extent inconsistent.

APPENDIX G

PEDC Policies and Procedures

Effective January 2024

Resolution No. EDC 2024-01-03-R02

GENERAL POLICIES AND PROCEDURES GUIDELINES FOR THE PRINCETON ECONOMIC DEVELOPMENT CORPORATION:

These **PEDC Policies and Procedures** are intended to serve as general policy and procedure guidelines for the Princeton Economic Development Corporation, a Type A development corporation (the "PEDC" or the "Corporation" herein). As a component unit of the City of Princeton, Texas (the "City" herein), general operating procedures and policies are intended to mirror those of the City. While the PEDC may from time to time have specific policies and procedures which deviate from City policies and procedures for demonstrated business purposes, such policies and procedures should endeavor to be consistent with the City's polices to ensure financial integrity in expending public funds, including the reporting thereof. All policies and procedures shall be consistent with the provisions of the PEDC's Articles of Incorporation, the PEDC's Bylaws, the City's Charter, where applicable, and any and all applicable laws, rules, and regulations, including, without limitation, the Texas Open Meetings Act, the Texas Public Information Act, and the Development Corporation Act, as amended. Should there be a conflict between these PEDC Policies and Procedures and the PEDC Bylaws, the Bylaws shall control. From time to time, these PEDC Policies and Procedures may be amended by formal Board action.

1. <u>PEDC GOVERNANCE</u>

1.1 PEDC BYLAWS

The PEDC is governed by the approved and adopted "bylaws" of the Corporation (the "Bylaws" herein). The Bylaws are duly adopted and approved by (i) the PEDC's Board of Directors by public majority vote; and (ii) the City Council of the City of Princeton, Texas, the PEDC's authorizing municipality, in accordance with the Development Corporation Act.

1.2 BYLAWS AMMENDMENTS

Amendments to the Bylaws may occur from time to time as deemed necessary by the board of directors, PEDC's executive staff, or City Council. All amendments must be approved by public majority vote of (i) the PEDC's Board of Directors; and (ii) the City Council of the City of Princeton, Texas.

1.3 POLICIES & PROCEDURES

The policies and procedures set forth within this document serve as general organizational and operational guidelines for the Corporation. These PEDC Policies and Procedures are duly adopted and approved by (i) the PEDC's Board of Directors by public majority vote; and (ii) the City Council of the City of Princeton, Texas, in accordance with the Development Corporation Act. These PEDC Policies and Procedures may, from time to time, be amended to ensure the PEDC is operating under industry "best practices" to maintain organizational excellence and quality customer service. These PEDC Policies and Procedures shall, at all times, be consistent with the City's policies and procedures.

1.4 POLICIES & PROCEDURES AMENDMENTS

Amendments to these PEDC Policies and Procedures may occur from time to time as deemed necessary by the PEDC Board of Directors, PEDC's executive staff, or City Council of the City of Princeton, Texas. All additions and/or amendments must be approved by public majority vote of (i) the PEDC's Board of Directors; and (ii) the City Council of the City of Princeton, Texas.

2. PEDC BOARD MEMBER APPOINTMENT

2.1 COUNCILMEMBER APPOINTMENTS AND ASSIGNMENTS

All appointments and assignments to the PEDC's Board of Directors shall by governed by and made in accordance with the City's rules for appointments and assignments by the City Council of the City of Princeton, Texas, to all boards, commissions, and committees of the City, same to include the PEDC, which said rules are included in the City Council's Bylaws, as amended.

3. PEDC MEETINGS

3.1 REGULAR MEETINGS

Regular meetings of the PEDC shall be held on the 1st Monday of each month. The meetings are held in the City Council Chambers at the Princeton Municipal Center located at 2000 E. Princeton Drive, Princeton, Texas 75407 and begin at 6:30 p.m. The PEDC may discuss and authorize an alternate schedule and designate alternative dates for regular meetings to accommodate holiday schedules or other conflicts without formal modification of these Bylaws.

a. General Order

Board Meetings will be generally conducted in the following order, unless otherwise specified:

WORKSHOP AGENDA (when scheduled)
CALL TO ORDER, ROLL CALL, & ANNOUNCE A QUORUM IS PRESENT
QUESTIONS ON CURRENT AGENDA ITEMS OF INTEREST
ADJOURN [TO REGULAR MEETING, if applicable]

REGULAR MEETING AGENDA
CALL TO ORDER, ROLL CALL, & ANNOUNCE A QUORUM IS PRESENT
INVOCATION (optional)
PLEDGE OF ALLEGIANCE (optional) PUBLIC APPEARANCE/
RECOGNITIONS

PUBLIC REPORT ITEMS (City, Chamber, CDC, other stakeholders)
STAFF REPORT ITEMS
BOARD REPORT ITEMS
CONSENT AGENDA
REGULAR AGENDA
EXECUTIVE SESSION AGENDA (As Needed)
ACTION PERTAINING TO EXECUTIVE SESSION
ADJOURNMENT

An Executive Session may be held at any time during a meeting consistent with applicable state law. The Board, by simple majority vote, at the beginning of a meeting or at any time during a meeting, may overrule the Chairperson's decision on a procedural matter; require a separate action to take up an Agenda item for consideration, to take a matter out of order, or to change the order of the Agenda items.

b. Other Locations, Emergency Meetings, Workshops

The PEDC may, occasionally, elect to meet at other locations, call emergency meetings, Board Workshops or by teleconference and, upon such election, shall give appropriate public notice of the change of location in accordance with provisions of state law.

c. Cancellation of Meetings

When the day for any regular meeting falls on a legal holiday, or may not be held due to a lack of a quorum, inclement weather or a matter beyond the PEDC's control, the regularly scheduled meeting for such day shall be deemed canceled unless otherwise specified by the PEDC. Meetings canceled due to holidays, lack of a quorum, inclement weather or other matters beyond the PEDC's control may be rescheduled for another date, at the election of the Chairperson or at least four (4) members of the PEDC Board of Directors, and posted in accordance with the Open Meetings Act.

3.2 NOTICE OF MEETINGS

Notice of meetings and the agenda for all PEDC meetings shall be posted by the City Secretary, PEDC staff, or designee on the City's official bulletin board pursuant to the requirements of the Texas Open Meetings Act, as well as on the City's and PEDC's websites.

3.3 QUORUM & VOTING

Four (4) members of the PEDC Board of Directors shall constitute a quorum to do business. The affirmative vote of a simple majority of those present and voting shall be necessary to approve a motion or adopt any ordinance or resolution,
except as may be provided by state law.

3.4 PUBLIC ATTENDANCE

All meetings of the PEDC shall be open and public in accordance with the provisions of the Texas Open Meetings Act, except when a closed meeting is otherwise allowed by state law.

Princeton residents and other members of the public attending PEDC meetings shall observe the same rules of propriety, decorum, and good conduct applicable to members of the PEDC.

3.4 PUBLIC RECOGNITION

All special presentations and announcements will be calendared and coordinated through the PEDC staff. A period of time, not to exceed fifteen (15) minutes, will be set aside for public recognition at each PEDC Board meeting.

3.5 DRESS CODE

The dress code for all meetings shall be business casual.

3.6 MEETING AGENDAS

a. Chairman Rule
The Chairperson shall preside at all meetings of the PEDC and shall have discretion to progress through the agenda in a non-sequential manner, provided that the exercise of such discretion does not result in a conflict with the express content of a posted meeting notice or other City announcement (e.g., that a public hearing for an item will be held at a specific starting time).

b. Agenda Preparation & Items
The CEO, or their designee, shall prepare the agendas for all regular (and work session) meetings of the PEDC Board of Directors. The CEO shall include on an upcoming agenda any item requested in writing (including via electronic transmittal) by two (2) board members to be brought before the Board. The request shall be specific as to the agenda (date of meeting, type of meeting, substance of item), and it shall be delivered to the CEO, or his designee, not less than five (5) calendar days prior to an upcoming, scheduled Board meeting.

Unless the request is withdrawn by either of the two (2) Board members, the item shall be placed on the next scheduled Board meeting agenda after the timely receipt of the request, unless the request is for a specific, subsequent Board meeting.

The CEO shall have discretion to place any requested item on an earlier meeting than prescribed above if the CEO determines that sufficient time exists for staff preparation of the item requested.

c. Third-Party Agenda Items
Additional items may be placed or removed on an agenda by City staff or organizational stakeholders with approval by the Chairperson or on application of a Board member, whether prior to a meeting, consistent with state law, or during Future Agenda items in accordance with the above provisions.

d. Agenda Review & Approval:

The final board agenda will be approved by the CEO of the PEDC prior to the posting date for the upcoming meeting. In absence of the CEO, the Board Chairperson, or next in line board officer, will have approval authority of the agenda.

In addition to the foregoing, prior to posting an agenda, the CEO shall endeavor to allow the PEDC Attorney an opportunity to review said agenda to ensure compliance with the PEDC's Bylaws, these PEDC Policies and Procedures, and state law.

e. Agenda: Numbering & Indexing

All separate action or discussion items of any nature shall be numbered consecutively for purposes of consideration on the agenda. Upon passage, the City Secretary shall separately index all resolutions and similar action documents.

f. Public Report Items

The City Manager, or designee, City staff and external stakeholders shall provide reports on city news, initiatives, and other relevant information that do not necessarily require PEDC deliberation or action.

g. Staff Report Items

The CEO and/or designated PEDC staff will provide reports on organizational metrics, initiatives, and programs of the PEDC.

h. Board Report Items

The Chairperson and/or Board of Directors will report on any relevant, non-controversial, information they deem worthy of public comment. Board Committee reports will also be given in this section.

i. Consent Agenda

The Consent Agenda shall contain routine, non-controversial items that require Board action but need little or no deliberation. Approval of all items listed within the Consent Agenda shall be by motion, second and a single vote, except as provided herein.

If a Board member objects to a consent item, or staff requests removal, it is deemed to be removed from the Consent Agenda. Agenda items removed from the Consent Agenda by the request of a member of the PEDC Board of Directors will be considered immediately after approval of the remaining Consent Agenda.

j. Regular Agenda

Regular agenda items are those items presented in the open session portion of the board meeting.

k. Adjournment

The PEDC establishes 11:30 p.m. as its default hour of adjournment and will not continue any meeting beyond that time without a majority vote of the Board. To assist in making the determination to continue an item under consideration, the Board should find that discussion, deliberation, and action, on the item could be concluded by 12:00 midnight. If agenda items remain after the 11:30 p.m. standard adjournment time, the meeting may continue to the next day, a special meeting may be scheduled or the items deferred until the next regular meeting, consistent with the Texas Open Meetings Act. Deferred items will appear first on the regular agenda of the next regular or called meeting. Adjournment of a meeting requires a motion to be made and a second to the motion and then a majority vote but is not required to be a roll call vote.

3.8 EXECUTIVE SESSION

The PEDC may meet in Executive Session during any regular or special meeting, or anytime otherwise authorized by state law, to consider or hear any matter which is authorized by state law to be heard or considered in Executive Session, including, without limitation, the following provisions of the Open Meetings Act:

Section 551.071
Consultation with Attorney

Section 551.072
Deliberation regarding Real Property

Section 551.073
Deliberation regarding Prospective Gift

Section 551.074
Deliberation regarding Personnel Matters

Section 551.087
Deliberation regarding Economic Development Matters

Consistent with state law, the PEDC may exclude from any such Executive Session any person or persons which it is authorized by state law to exclude from such sessions. A Board member may be excluded if it is established by a majority of PEDC that the member's interest is adverse to that of the PEDC or the City on the matter to be discussed in Executive Session, only for that item.

a. Only members of the PEDC Board, the PEDC Attorney, members of the City Council, relevant PEDC or City staff, or PEDC consultants will be permitted to adjourn into executive session. All parties related to an executive session agenda item as well as the general public will not be permitted in executive session.

b. The general subject matter for consideration shall be expressed in an open meeting before such session is held in accordance with state law.

c. Board members shall not reveal the nature of discussion from a closed session unless required by state law. Board members, or any person in attendance in closed session as authorized by law, shall not independently record and/or distribute to any third person information disseminated during the closed session.

d. Executive sessions shall be noticed and held in accordance with state law, as it may be amended.

3.9 MEETING MINUTES

Action minutes of PEDC meetings will be kept. Action minutes will include final motions with votes. The minutes will also reflect the names of public speakers.

a. Board Approval of Minutes

Minutes of meetings are generally submitted to the Board at the next regular meeting for approval.

b. Recording of Meetings

Recordings of proceedings are maintained by the City Secretary's or the office of PEDC staff for ninety (90) days after approval by the Board. Recordings of workshop sessions are retained permanently by the City Secretary's office.

4. COUNCIL RELATIONS POLICY; ADMINISTRATIVE SUPPORT

4.1 MAIL

All general mail will be opened and date stamped and distributed to PEDC staff or individual PEDC Board of Director members.

a. **Letters Addressed to the PEDC and PEDC Staff**

All letters addressed to the PEDC requiring a response from staff are copied to all Board members with a note as to which staff person will be preparing a response. A copy of the response, along with the original letter, will be provided to each Board member.

Letters addressed to the CEO and PEDC staff that do not require a response but provide information on PEDC agenda items or like matters are copied to the full Board.

b. **Letters Addressed to Individual Board members**

All letters addressed to individual Board members requiring a response from staff are copied to all Board members with a note as to which staff person will be preparing a response for the addressee's signature. Copies of the responses, along with the original letters, are provided to the full Board.

Letters addressed to individual Board members that do not require a response from staff but provide information on PEDC matters are copied to the full Board.

Cards and other Board member mail marked "personal" will not be opened and will not be copied to the full Board.

4.2 PEDC CORRESPONDENCE

All PEDC correspondence prepared with City or PEDC resources (letterhead, typing, staff support, postage, etc.) must accurately reflect the position of the full PEDC, not individual Board member's positions, and must be completely devoid of any type of political advertising. PEDC resources cannot be used to advocate for or against any candidate for office or for a particular position on a measure subject to public vote.

4.3 CLERICAL SUPPORT

In the absence of PEDC staff, the City Manager's Office will coordinate the typing of correspondence requested by individual Board members. All correspondence typed for Board members will be on PEDC letterhead and must be consistent with the position of the full Board as has been stated in a public meeting. It will also be copied to the full PEDC.

4.4 MASTER CALENDAR

A master calendar of PEDC events, functions or meetings will be maintained by PEDC Staff and backed up by the City Secretary's Office or PEDC Coordinator and provided to the full Board.

Functions, events, or meetings to be attended by individual Board members will only be included on the master calendar at the request of individual Board members.

4.5 REQUESTS FOR RESEARCH OR INFORMATION

Board members may request information or research from staff or the PEDC Attorney on a given topic through the PEDC Staff or Chairperson. Requests for PEDC policy direction will be brought to the full Board at a regular meeting for consideration. All written products will be copied to the full Board.

4.6 PEDC NOTIFICATION OF SIGNIFICANT INCIDENTS

In conjunction with the City's public safety departments, the City Manager's Office will coordinate the notification to the Board of major crime, fire or other disasters or incidents, through press releases or public information notifications. The City Manager may provide updates to PEDC on the status of projects provided the same is in a form and made available to the public. Press releases may be issued that provide necessary notifications to PEDC and public consistent with City policies and the Texas Open Meetings Act.

4.7 BOARD MEMBER REQUESTS FOR INFORMATION

- A current Board member's request under this provision is not governed by the Public Information Act and as such is only enforceable by the members of the PEDC.
- Requests shall be for inspection only.

- Information produced to a Board member under this provision is not deemed a public release; rather, it is being produced to the Board members in their official capacities. Any disclosure of information by a Board member which had been provided to a Board member under this section may be deemed a misuse of official information (Texas Penal Code §39.01) and/or malfeasance of office and subject the Board member to appropriate action under the Ethics provisions and/or other applicable criminal, civil and injunctive proceedings.

- The PEDC has approved and adopted a form for use by Board members for requests under this provision, which form is attached hereto as Appendix A.

- Nothing herein shall prevent a member of PEDC from requesting information consistent with, in accordance with and subject to the parameters, exceptions and limitations of the Public Information Act.

4.8 BOARD MEMBERS/ ELECTED OFFICIALS INTERACTION WITH STAFF

Governance of an economic development corporation relies on the cooperative efforts of City Council and appointed Board members, who set policy, and Staff who implement and administer the Board's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

a. Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

b. Do not disrupt PEDC staff from their jobs

Elected officials and Board members should not disrupt Staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Do not attend Staff meetings unless requested by staff – even if the board member does not say anything, his or her presence implies support, shows partiality, may intimidate staff, and hampers staff's ability to do their job objectively.

c. Do not get involved in administrative functions

Elected officials and Board members acting in their individual capacity must not attempt to influence Staff on awarding of contracts, selecting of consultants, processing of incentive or grant applications, or granting of City licenses and permits.

d. Do not solicit political support from Staff

Elected officials and Board members should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from ANY staff. Staff may, as private persons with constitutional rights, support political candidates but all such activities must be done away from the workplace.

e. No Attorney-Client Relationship

Board members shall not seek to establish an attorney-client relationship with the PEDC Attorney, including his or her staff and attorneys contracted to work on behalf of the PEDC. The PEDC Attorney represents the PEDC and not individual Board members and takes direction from the PEDC Board of Directors with respect to legal services relating to PEDC business. Members who consult with the PEDC Attorney cannot establish an attorney-client relationship with the PEDC Attorney. The PEDC Board of Directors, as a whole, provides direction to the PEDC Attorney regarding legal matters such as potential disclosure of communications subject to attorney-client privilege.

5. ADMINISTRATIVE PROCEDURES

5.1 BIENNIAL REVIEW OF PEDC BYLAWS, POLICIES & PROCEDURES

The PEDC will review and revise its Bylaws and these PEDC Policies and Procedures as needed, and at a minimum, once every two (2) years. Regular meeting agenda items will be set for discussion and deliberation of changes proposed by the City Council, PEDC, and/or staff, in either open session or executive session as appropriate for the specific matters at issue, in February of even numbered years or as directed by the City Council.

5.2 ATTORNEY AS GENERAL PROCEDURE ADVISOR

The PEDC Attorney assists the PEDC as a resource and as an advisor for interpreting the PEDC's adopted rules, policies, and procedures. The CEO shall work with the PEDC Attorney to ensure that the PEDC's adopted rules, policies, and procedures are properly implemented and enforced.

6. FINANCIAL MANAGEMENT

6.1 FINANCIAL MANAGEMENT

The City's Finance Department, in coordination with the Treasurer, is designated as the custodian of the records for all funds, securities and financial transactions of the PEDC. PEDC shall be a component unit within the City's financial management software suite and shall follow the general policies of the City regarding AP-AR, budget amendments, budgetary realignments, and transfers, etc. After receipt of its statutory allocation of sales and use tax in the amount of $0.005, all PEDC revenues and expenditures shall be managed and accounted for separately, as required by applicable law and the PEDC's Bylaws.

6.2 ANNUAL BUDGET

On or before ***JUNE 30th*** of each year, a budget shall be presented to the PEDC Board of Directors for approval on an annual basis. The PEDC's approved general budget shall then be included as part of the City's annual budget to be presented to the City Council and ultimately approved by City Council, in accordance with state law, as part of the City's budget process. Although PEDC develops a budget to be approved by the PEDC Board of Directors, PEDC follows the same budget "calendar" and process as the City. As a component unit, the Board's approved budget is ultimately approved by the City Council as part of the City's budget. Once all budgets are approved by the City Council and become official, the City Finance Department shall load all data into the City's financial management software suite.

a. During the budget process the PEDC Board of Directors will be given the opportunity to discuss and provide input and direction on all line items of the budget that they ultimately will consider for approval.

b. During the budget year, the CEO, or their designee, subject to the exceptions stated herein, shall have the authority to make internal budget adjustments as long as such adjustments remain within the total budget of each budget category.

c. In absence of a PEDC CEO, the City Finance department will prepare and present a proposed annual budget to the Board of Directors for consideration and approval.

Exceptions:

All "Project Incentives" must be approved by the PEDC Board of Directors and the City Council of the City of Princeton, Texas, in accordance with state law.

The CEO may not transfer budgeted funds (created by unfilled positions) out of the "Personnel or salary and benefits" portion of the budget without prior Board approval.

Any additions to the "salary and benefits" portion of the budget for bonuses or for salary adjustments must be approved by the Board of Directors.

The transfer of any unencumbered project incentive category within the budget must be approved by the Board of Directors.

6.3 FINANCIAL REPORTING/ PROCUREMENT:

The City's Finance Department shall manage the overall finances of the PEDC and shall provide the PEDC monthly financial reports that reflect the financial status of the Corporation as of the most recent month that has been "closed- out". These financial reports shall follow the City's general reporting policies, procedures, and format.

- Financial reports are provided to the Board on a monthly basis (as available), in the open session portion of Board meetings.

- PEDC may request, or if capable, internally create, additional reports or reporting formats related to the corporation's financial status, but all financial reports showing the overall standing of the PEDC are to in the open session portion of PEDC Board meetings.

Pursuant to PEDC's right to allow situational deviations from personnel policies under the Employee Management and Agreement with the City, PEDC employees may utilize City Procurement Cards (P-Cards) or PEDC corporate Credit Card for documented, bona fide purchases of business, business travel, and business entertainment expenses, including reasonable alcohol purchases, when the business purpose for such purchase(s) are approved by the CEO, subject to not less than monthly review by the PEDC Chairperson concerning the general nature of the business purpose and entertainment expenditure (including alcohol purchases). After an employee business expense is incurred and upon written approval and certification of the bona fide business purpose of the expense by the CEO (or by the Chairperson for the CEO's business expenses), the City's Finance Department shall process payment as compliant, without further review.

6.4 SIGNATORY & CONTRACT EXECUTION

This area of authority is governed by the PEDC Bylaws and its specific documents. The PEDC Bylaws provide signature authority specifically to the Board Chairperson. The Secretary and CEO shall have Board-authorized signature authority by virtue of the Resolution approving these PEDC Policies and Procedures. The Vice Chairperson shall have the signature authority of the Chairperson in his/her absence or disability.

- The Resolution approving these PEDC Policies and Procedures shall further require the dual signatures of any two (2) of the following offices on non-operational documents, including but not limited to, contracts for purchase/sale of real property and incentive contracts: Chairperson/President, Vice Chairperson, Secretary, CEO.

- By virtue of the Resolution approving these PEDC Policies and Procedures, the CEO (or their written designee) shall have single signatory authority on all operational documents and contracts, including but not limited to, check requests of $10,000 or greater, professional services contracts, advertising contracts, AP approvals, vendor agreements, and internal operational approvals within the approved budget.

- PEDC Employees, other than the CEO, may sign operational documents on behalf of the PEDC that do not obligate the PEDC's funds, and which signature is not outside their level of authority, as long as that authority has been granted, in writing, by the CEO.

7. <u>PROJECTS</u>

7.1 PROJECT FLOW:

The PEDC uses numerous lead generation methods and sources, and all projects are processed differently as to "flow." However, the following is the general (not exclusive) process that will be used in working projects, noting that sometimes a single step is repeated multiple times.

- Lead generated or received;
- RFP answered or community information provided;

- Meet with Project (could be company, Site Selector, Broker, or combination); at the company's request and after consultation with Board Chairman, other individuals may be requested to attend pertinent meetings;
- Prospective Project will fill out an application for Economic Incentives;
- Update, Board, Relevant City Departments, on Project;
- Develop preliminary incentive Offer and prepare offer letter;
- Provide offer letter to Project representatives;
- Upon acceptance of incentive offer, prepare packet for Board approval and place on Board agendas for approval at regular or specially called public meeting;
- Upon approval of incentive offer, request the PEDC Attorney to draft any and all preliminary and final contractual documents in coordination with staff,
- Execute any and all legal documents;
- Obtain City Council approval, when required under applicable law; and
- Provide copies of final legal documents as requested to Board Members. Work in conjunction with company and community to facilitate Project announcement, event etc.

8. INCENTIVES

8.1 INCENTIVE GUIDELINES:

The PEDC will develop organizational incentive guidelines and structure that will govern the award of financial support to projects. These guidelines will be approved by the PEDC Board of Directors and reviewed periodically to ensure that the PEDC is maintaining the highest levels of financial accountability and the most efficient use of public funds. The awards will be issued in the form of performance driven grants.

8.2 INCENTIVE ELIGIBILITY

All awarded financial incentives will be done in accordance with applicable state law, including, without limitation, the Development Corporation Act, which dictates the eligible uses of tax proceeds by a development corporation.

8.3 INCENTIVE AWARD TYPES

All "Incentives" awarded by the PEDC will be in the form of performance-driven grants. The structure of the incentives may vary from project to project, but the general types of incentive awards provided by the PEDC include, but are in no way limited to:

Job Creation Grants

Job creation grants are awarded to new and expanding businesses that are providing primary jobs within the approved *North American Industry Classification System* (NAICS) as defined in the Texas Local Government Code 504, Type A Corporations and Texas Local Government Code, Chapter 501.

Capital Investment Grants

Capital Investment Grants are awarded to new and existing industries for new and improved investment in construction and material costs related to a business attraction and expansion project. This includes all hard material costs for construction and/or build-out of Furniture, Fixtures and

Equipment (FFE) related to the recruitment of expansion project. Only projects identified in Texas Local Government Code 504, Type A Corporations, are eligible for Capital Investment Grants.

Infrastructure Incentive Grants
Infrastructure costs associated with the development and/or expansion of a facility can receive Infrastructure Assistant Grants. Qualifying infrastructure may include, without limitation, roads, site access, water/sewer, electrical utilities, natural gas, fiber, and any other eligible infrastructure cost as defined by Texas Local Government Code 504, Type A Corporation.

Workforce Development/ Training
Workforce Development and Training Grants are available to those new recruitment and expansions that are providing primary jobs or providing workforce training to employees to enhance the skill set of existing workers or train unskilled labor in an advanced or new skill required for employment.

8.4 TAX REIMBURSEMENTS (CH.380) & TAX ABATEMENTS (CH. 312)

The PEDC CEO and PEDC staff will, in partnership with the City's executive leadership, endeavor to develop certain incentive policies and guidelines for qualification for, on behalf of the City of Princeton, Texas, the calculation and estimation of Texas Chapter 380, Sales-Tax reimbursement agreements and Texas Chapter 312, Tax Abatement agreements. Chapter 380 and 312 agreements will have separate guidelines and metrics, approved by City Council, that will aid in determining eligibility and will be crafted and presented to City Council for approval—rather than the PEDC Board of Directors—as the City Council is the approval body for said agreements.

8.5 INCENTIVE COMPLIANCE

Compliance for all economic incentives will be the shared responsibility of the Princeton EDC staff with oversight from the City of Princeton Finance Department.

9. INFORMATION TECHNOLOGY

9.1 INFORMATION TECHNOLOGY SECURITY & SERVICE

Technology services provided by the City's Information Technology Department include, but are not limited to, computers, network infrastructure, email, unified communications, enterprise class software, telephones, copiers, audio visual services, security, and other technologies that use wireless/wired connectivity. In addition, the Information Technology Department provides the management of technology solutions as well as the procurement of new technology solutions and the service of procured infrastructure.

The Information Technology Department uses a variety of standards and best practices to deliver technological solutions that accommodates business needs, leverages best value for investment, reduces risk of malware, and lowers the need for manual intervention and repair. Requests for exceptions to the standardized service offerings, processes, and/or policies will be considered on a case-by-case basis and prioritized, implemented, and maintained by the Information Technology Department, with approval by the Chief Information Officer.

- City IT policy dictates allowable hardware and software and the IT Department must purchase or provision these as needed. There is some flexibility, however, and PEDC may request solutions outside of the City protocols, subject to the approval of the City's CIO.
- All PEDC computer "My Document" folders are re-directed to an PEDC folder on a common City drive and are stored and backed-up.
- All email and Outlook calendars and contacts shall be housed on the network and shall be secured.
- Employees of PEDC shall save work product to the designated City drive as a safety measure for redundancy.
- All PEDC emails and documents are subject to disclosure under the Texas Public Information Act, save and except those documents subject of statutory exceptions to disclosure.

9.2 CELL PHONE USE

PEDC employees and Board Members will be required to utilize a PEDC-issued cell phone for all business correspondence and work use. The City's IT department will manage the issuance and maintenance required for cell phone use as well as install security protocols as defined in the Cell Use policy of the City. Cell phone use by PEDC employees and Board Members shall strictly comply with any and all applicable cell phone usage rules, policies, and procedures of the City.

Appendix A
PEDC BOARD MEMBER'S INFORMATION AND DOCUMENT REQUEST
Internal Use only

PERSON REQUESTING INFORMATION:

NAME:

DATE:

I AM REQUESTING THIS INFORMATION IN MY OFFICIAL CAPACITY AS, TITLE:

DESCRIPTION OF PROJECT:

DESCRIPTION OF DOCUMENTS OR INFORMATION REQUESTED:

I understand that the documents I am requesting may contain confidential information that may not be released to the public. This information is not being released under the Public Information Act and is being released for internal viewing only. An appointment will be made through the custodian of the records for a time the documents will be available for viewing. This information is for viewing by the applicant alone and no copies or photographs may be made without the approval from the custodian of the records. Although elected and appointed officials may be provided with access to City records, any copies or photographic reproductions must be treated as public records and remain subject to the City's Public Information Act policies. I further understand that certain information that I have requested may be confidential by law and as such may not be released to the public or shown to any other person, and its unauthorized release may subject me to criminal charges and prosecution.

Signature:

Date:

Documents Prepared By:

Date:

Time required preparing documents:

APPENDIX G

PEDC Social Media Policy

TBD