

**NOTICE OF REGULAR
ROSENBERG DEVELOPMENT CORPORATION MEETING**

NOTICE IS HEREBY GIVEN THAT THE ROSENBERG DEVELOPMENT CORPORATION OF THE CITY OF ROSENBERG, FORT BEND COUNTY, TEXAS, WILL MEET IN REGULAR SESSION OPEN TO THE PUBLIC AS FOLLOWS:

DATE: Thursday, March 10, 2016

TIME: 4:00 p.m.

PLACE: Rosenberg Civic Center
3825 Highway 36 South
Rosenberg, Texas 77471

PURPOSE: Regular Rosenberg Development Corporation Meeting

Call to order.

Statement of rules pertaining to audience comments.

Comments from the audience.

CONSENT AGENDA

- A. Consideration of and action on the Joint City Council and Rosenberg Development Corporation Meeting Minutes for February 11, 2016. (Jasmine Bowens, Senior Administrative Specialist)
- B. Consideration of and action on the monthly Rosenberg Development Corporation Financial Reports for the period ending February 29, 2016. (Joyce Vasut, Executive Director of Administrative Services)

AGENDA

- 1. Consideration of and action on a recommendation regarding the draft Comprehensive Annual Financial Report of the Rosenberg Development Corporation, Fiscal Year Ended September 30, 2015, submitted by Pattillo, Brown and Hill, L.L.P. (Joyce Vasut, Executive Director of Administrative Services)
- 2. Consideration of and action on Resolution No. RDC-101, a Resolution of the Board of Directors of the Rosenberg Development Corporation amending the Fiscal Year 2015-16 Annual Budget in the amount of \$80,000 for professional services - legal. (Joyce Vasut, Executive Director of Administrative Services)
- 3. Review and discuss Fort Bend Transit Bus Route, and take action as necessary. (Bill Knesek, President)
- 4. Review and discuss Rosenberg Multimodal Hub Study, and take action as necessary. (Randall Malik, Executive Director)
- 5. Consideration of and action on proposed amendments to the Rosenberg Development Corporation Bylaws. (Randall Malik, Executive Director)
- 6. Hold Executive Session to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072; and regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.

7. Adjourn Executive Session, reconvene Regular Session, and take action as necessary as a result of Executive Session.
8. Consideration of and action on a report from the Rosenberg Development Corporation Executive Director regarding the previous month's economic development activities and contacts, which includes updates on the following (Randall Malik, Executive Director):
 - a. Economic Indicators;
 - b. Business Retention Visits;
 - c. New and Expanded Businesses; and,
 - d. RDC Projects.
9. Review and discuss requests for future Agenda items, and take action as necessary.
10. Announcements.
11. Adjournment.

{EXECUTION PAGE TO FOLLOW}

DATED AND POSTED this the _____ day of _____ 2016, at _____ m.
by _____.

Attest:

Linda Cernosek, City Secretary

Approved for posting:

Randall Malik, Executive Director

Reasonable accommodation for the disabled attending this meeting will be available; persons with disabilities in need of special assistance at the meeting should contact the City Secretary at (832) 595-3340. There may be a quorum of City Council Members attending this meeting.

ITEM A

Minutes:

- 1. Joint City Council and Rosenberg Development Corporation Meeting Minutes – February 11, 2016**

DRAFT

CITY OF ROSENBERG JOINT CITY COUNCIL MEETING MINUTES

On this the 11th day of February, 2016, the City Council of the City of Rosenberg, Fort Bend County, Texas, met in a Joint Session with the Rosenberg Development Corporation (RDC), in the Rosenberg Civic Center, located at 3825 Highway 36 South, Rosenberg, Texas.

Present: Cynthia A. McConathy, Mayor
William Benton, Councilor at Large, Position 1
Jimmie J. Pena, Councilor, District 1, Director, Rosenberg Development Corporation
Lynn Moses, Councilor, District 4, Director, Rosenberg Development Corporation
Bill Knesek, President, Rosenberg Development Corporation
Teresa Bailey, Director, Rosenberg Development Corporation
Ted Garcia, Director, Rosenberg Development Corporation
Allen J. Scopel, Director, Rosenberg Development Corporation

Absent: Amanda J. Barta, Councilor at Large, Position 2
Susan Euton, Councilor, District 2
Lisa Wallingford, Councilor, District 3

Staff Present: Scott M. Tschirhart, City Attorney
Linda Cernosek, City Secretary
Jeff Trinker, Executive Director of Support Services
Joyce Vasut, Executive Director of Administrative Services
Travis Tanner, Executive Director of Community Development
Darren McCarthy, Parks and Recreation Director
Randall Malik, Economic Development Director
Jeremy Heath, Assistant Economic Development Director

Call to order: Rosenberg Civic Center.

Vice President Allen J. Scopel called the meeting to order at 4:01 p.m.

GENERAL COMMENTS FROM THE AUDIENCE.

Citizens who desire to address the City Council and Rosenberg Development Corporation with comments of a general nature will be received at this time. Each speaker is limited to three (3) minutes. In accordance with the Texas Open Meetings Act, the City Council and Rosenberg Development Corporation are restricted from discussing or taking action on items not listed on the agenda. It is our policy to have all speakers identify themselves by providing their name and residential address when making comments.

COMMENTS FROM THE AUDIENCE FOR CONSENT AND REGULAR AGENDA ITEMS.

Citizens who desire to address the City Council and Rosenberg Development Corporation with regard to matters on the Consent Agenda or Regular Agenda will be received at the time the item is considered. Each speaker is limited to three (3) minutes. Comments or discussion by the City Council Members and Rosenberg Development Corporation will only be made at the time the agenda item is scheduled for consideration. It is our policy to have all speakers identify themselves by providing their name and residential address when making comments.

CONSENT AGENDA

1. **Review of Consent Agenda.**
All Consent Agenda items listed are considered to be routine by the Rosenberg Development Corporation and may be enacted by one (1) motion. There will be no separate discussion of Consent Agenda items unless a Member has requested that the item be discussed, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Regular Agenda.
- A. **Consideration of and action on Regular Rosenberg Development Corporation Meeting Minutes for January 14, 2016.**
- C. **Review and discuss the quarterly Investment Report for the period ending December 31, 2015, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

The Rosenberg Development Corporation quarterly Investment Report for the period ending December 31, 2015, is attached for review. Staff recommends approval of the Investment Report as presented.

ACTION

Motion by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena, seconded by Councilor, District 4, Director, Rosenberg Development Corporation Lynn Moses to approve Items A and C on the Consent Agenda.

Vote: 6 - 0 Carried

REGULAR AGENDA

2. *Consent Agenda Item B was moved into the Regular Agenda for discussion.*
Consideration of and action on the monthly Rosenberg Development Corporation Financial Reports for the period ending January 31, 2016.

EXECUTIVE SUMMARY

The January 2016 RDC Financial Report is attached for your review and consideration. Staff recommends the Board approve the report as presented.

KEY DISCUSSION POINTS

Director Garcia asked what the expense was for under Professional Services, which Randall Malik explained was for the RDC Business Appreciation Luncheon.

ACTION

Motion by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena, seconded by Director, Rosenberg Development Corporation Ted Garcia to approve the monthly Rosenberg Development Corporation Financial Reports for the period ending January 31, 2016.

Vote: 6 - 0 Carried

3. **Review and discuss the proposed purchase of two (2) multi-purpose tents, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

This item has been placed on the Agenda at the request of Councilor Benton to discuss the potential RDC purchase of two (2) multi-purpose tents for use at City and RDC events. Samples of multi-purpose tents proposed for this use are included for review and discussion.

KEY DISCUSSION POINTS

Councilor Benton presented the idea to the RDC to purchase a tent for use at City and RDC functions. Jeremy Heath and Director Garcia presented some examples of different sized tents and styles. Darren McCarthy, Parks and Recreation Director, had a concern about manpower to set up and take down the tent, and the storage of the tent when not in use. The life of a tent is usually about twenty (20) years and it takes at least two men or more to erect and take down the tent. The 10 foot by 20 foot tent is the smaller tent and the 20 foot by 40 foot is the larger tent.

The general consensus of the RDC was to purchase one (1) large tent (20 foot by 40 foot size) with sidewalls, and to have both the City and the RDC logos printed on the tent.

Discussion was held on where the funding would come from. The cost to have the logos printed on the tent is approximately \$2,000 maximum for each logo.

ACTION

Motion by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena, seconded by Director, Rosenberg Development Corporation Ted Garcia to approve \$5,000 from the RDC 2015 Parks fund to purchase a large tent with sidewalls, with both the City and the RDC logos printed on the tent. The City will pay the remainder of the cost for the tent. The tent will be used for City and RDC events only.

Vote: 6 - 0 Carried

4. **Review and discuss the design for the Downtown Parking Lot Project, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

At the December 10, 2015 RDC Meeting, the Board recommended revising the Downtown Parking Lot Project design to eliminate the entrance and exit off 3rd Street. Jones & Carter, Inc., have provided an updated design of the Downtown Parking Lot Project which removes this driveway.

Additionally, Councilor William Benton has requested that the RDC consider incorporating a right-turn only lane at the intersection of 3rd Street and Avenue F.

Staff recommends the Board discuss the revised design and provide direction to staff.

KEY DISCUSSION POINTS

Randall Malik, Economic Development Director, explained the current parking configuration and the potential changes if a right turn only lane was incorporated at the intersection of 3rd Street and Avenue F. By incorporating the right turn only lane, it would eliminate eleven (11) parking spaces. There will need to be a fire lane incorporated with an island for widening.

The general consensus was not to incorporate the right turn only lane, which would eliminate additional parking spaces.

ACTION

Motion by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena, seconded by Director, Rosenberg Development Corporation Ted Garcia to approve the design for the Downtown Parking Lot Project, including the fire lane, and to not put the right turn only lane at the intersection of 3rd Street and Avenue F, allowing for additional parking spaces.

Vote: 6 - 0 Carried - Unanimously

5. **Review and discuss a presentation by the Coastal Prairie Chapter of the Texas Master Naturalists on current activities and projects for Seabourne Creek Nature Park, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

Representatives of the Coastal Prairie Chapter of the Texas Master Naturalists will make a presentation regarding improvements to the Seabourne Creek Nature Park.

KEY DISCUSSION POINTS

Karl Baumgartner with the Coastal Prairie Chapter of the Texas Master Naturalists gave a presentation on the current and past activities and projects for the Seabourne Creek Nature Park.

The RDC members thanked Karl Baumgartner and the Texas Master Naturalists for their continued dedication and hard work in making the Seabourne Creek Nature Park and the Nature Center one of the best nature parks in the area. It was discussed to have a brochure prepared, showcasing the Seabourne Creek Nature Park and what it has to offer.

6. **Review and discuss proposed amendments to the Rosenberg Development Corporation Bylaws, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

At the January 14, 2016 RDC Meeting, the Board considered the proposed amendments to the Bylaws as recommended by the RDC Policy Committee. The Board requested additional discussion at the February meeting regarding Article 4.09 as it relates to the oversight structure of the RDC Executive Director and Article 3.03 as it relates to the number of Council members serving on the RDC Board of Directors. The Board further requested that City Attorney Scott Tschirhart review scenarios in which the RDC Executive Director could serve under the RDC Board yet still maintain City of Rosenberg employee benefits.

Currently, the RDC Bylaws and the Administrative Services Agreement with the City indicate that the RDC Executive Director is to be an employee of the City of Rosenberg. Further, Resolution No. RDC-82 (adopted 08-13-13) designates the Economic Development Director of the City of Rosenberg as the Executive Director of the RDC.

KEY DISCUSSION POINTS

Randall Malik read the Executive Summary and stated that two items were not discussed and decided upon at the last meeting, 1) Article 4.09 as it relates to the oversight structure of the RDC Executive Director; and 2) Article 3.03 as it related to the number of Council members serving on the RDC Board of Directors.

Scott Tschirhart, City Attorney, presented a memo concerning the Executive Director's position. President Knesek asked that the discussion be delayed until the next meeting, so the board could read and review the memo handed out at the meeting.

ACTION

Motion by Director, Rosenberg Development Corporation Ted Garcia, seconded by Councilor, District 4, Director, Rosenberg Development Corporation Lynn Moses to table the discussion on the number of Council Directors to serve on the Rosenberg Development Corporation and the Executive Director (Article 3.03) and the oversight structure of the RDC Executive Director (Article 4.09) until the March 2016 RDC meeting.

Vote: 6 - 0 Carried

President Knesek adjourned for a break at 5:32 p.m.

7. **Hold Executive Session to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease or value of real property pursuant to Section 551.072; and, regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.**
8. **Adjourn Executive Session, reconvene Regular Session, and the Rosenberg Development Corporation may take action as necessary as a result of Executive Session**
President Knesek adjourned the Executive Session and reconvened into Regular Session.
9. **Review and discuss a report from the Rosenberg Development Corporation Executive Director regarding the previous month's activities and contacts, which includes updates on the following:**
 - a. **Economic Indicators;**
 - b. **Business Retention Visits;**
 - c. **New and Expanded Businesses;**
 - d. **Existing Businesses; and,**
 - e. **Past and Current RDC Projects.****UTIVE SUMMARY**
This item has been included to provide the Executive Director an opportunity to update the Board on the previous month's activities, contacts, and projects.

KEY DISCUSSION POINTS

Randall Malik reported that:

- The RDC, City Council, and staff will be touring the Port of Freeport on Thursday, February 18, 2016. Randall Malik had the opportunity to represent the RDC Board in Panama. The canal is 90% complete. The Port of Freeport is positioned in the Gulf of Mexico to handle some of the larger vessels. Some of the shippers will require two sets of rail lines. At the present time, they are using one rail line, Union Pacific Rail, that runs through Arcola, Texas. With the expanded Panama Canal, the vessels can now go through the Port of Freeport.
- Mayor McConathy stated that the intermodal rail lines in both Kendleton and Rosenberg will stay very busy when the Panama Canal vessels use the Port of Freeport.
- On March 10, 2016, the Highway 36 Coalition will talk about the Port of Freeport and give updates.

10. **Review and discuss requests for future Agenda items, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

This item provides the RDC Board an opportunity to request future Agenda items.

KEY DISCUSSION POINTS

- Director Pena stated the committee has met on the RDC housing and they plan to present a report to the board at the next meeting.
- President Knesek asked Jeremy Heath for a brief report on the statistics on how the housing is doing.
- President Knesek is concerned about the Fort Bend County buses not having an identity on the buses. He would like to see "Rosenberg transit" written on the buses. Mayor McConathy stated the feedback she has received is that people don't know the buses are available and think they are by appointment only. There needs to be more awareness made of the transit bus service.
- President Knesek asked that public transit be put on a future agenda and to get a route brochure.
- President Knesek mentioned that I-69 is being built and as you pass the FM 762 exit, the sign reads "Rosenberg next 3 exits". He would like to see the sign read "Rosenberg next 4 exits". There is supposed to be some nice landscaping coming in around the FM 762 exit and he would like that landscaping identified with Rosenberg.
- President Knesek mentioned he would like to see the feasibility of signage for the Rosenberg Business Park (possibly with discussions with TXDOT).
- RDC By Law amendments (Article 3.03 Relating to number of City Council Members on the RDC Board; and Article 4.09 Executive Director).

11. **Announcements.**
There were no announcements.

12. **Adjournment.**

ACTION

Motion by Director, Rosenberg Development Corporation Allen J. Scopel, seconded by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena to adjourn at 6:15 p.m.

Vote: 6 - 0 Carried

Linda Cernosek, TRMC, City Secretary



COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
B	Rosenberg Development Corporation Financial Report
ITEM/MOTION	
Consideration of and action on the monthly Rosenberg Development Corporation Financial Report for the period ending February 29, 2016.	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY:

1. RDC Financial Report – February 2016

Joyce Vasut
Executive Director of Administrative Services

EXECUTIVE SUMMARY

The February 2016 RDC Financial Report is attached for your review and consideration. Staff recommends approval.

CITY OF ROSENBERG, TEXAS
ROSENBERG DEVELOPMENT CORPORATION
AS OF FEBRUARY 29, 2016

Classification	2015-16 Adopted Budget	2015-16 Act. Rev/Exp YTD	2015-16 Encumbered	2015-16 YTD Budget Remaining	% of Budget Target
REVENUES:					
					42%
<i>Sales Taxes</i>	\$ 3,144,427	\$ 1,209,986	\$ -	\$ 1,934,441	38%
<i>Sales Taxes BTC I</i>	623,341	270,601	-	352,740	43%
<i>Sales Taxes BTC II</i>	501,661	234,502	-	267,159	47%
<i>Downtown Sales Taxes</i>	41,816	14,087	-	27,729	34%
<i>Sales Tax Total</i>	4,311,245	1,729,176	-	2,582,069	
<i>Interest Earnings</i>	2,000	3,264	-	(1,264)	163%
TOTAL REVENUES	4,313,245	1,732,439	-	2,580,806	40%
EXPENDITURES:					
Administration (max 10%):					
Office Supplies	1,000	102	-	898	10%
Computer Supplies	2,500		-	2,500	0%
Business Expense	1,700	127	-	1,573	7%
General Insurance	400	265	-	135	66%
Education and Training	9,000	1,352	-	7,648	15%
Other Contractual Services	249,500	123,803	-	125,697	50%
Subtotal for Administration Expenses	264,100	125,650	-	138,450	48%
Marketing:					
Outside Professional Services	12,500		-	12,500	0%
Postage	200	120	-	80	60%
Freight and Express	100		-	100	0%
Advertising	29,500	10,561	-	18,939	36%
Printing and Binding	4,500	1,635	1,635	1,230	73%
Subtotal for Marketing Accounts	46,800	12,316	1,635	32,849	30%
Memberships & Services:					
Business Recruitment	8,500	3,664	2,000	2,837	67%
Dues, Subscriptions & Contracts	6,977	3,905	-	3,072	56%
RDC Memberships	50,200	44,375	-	5,825	88%
Subtotal for Memberships & Services Accounts	65,677	51,944	2,000	11,734	82%
Professional Services:					
Professional Services - Engineering	35,000	10,425	-	24,575	30%
Professional Services - Legal	40,000	20,172	-	19,828	50%
Subtotal for Professional Services	75,000	30,597	-	44,403	41%
Business Retention & Expansion:					
Prospective Business Incentive	500,000		-	500,000	0%
Business Appreciation Luncheon	10,000		-	10,000	0%
Subtotal for Business Retention and Expansion	510,000	-	-	510,000	0%
Infrastructure:					
Debt Service - Principal	617,770	257,404	-	360,366	42%
Debt Service - Interest	177,221	73,842	-	103,379	42%
RDC Projects Fund	3,700,000	3,670,360	-	29,640	99%
Subtotal for Infrastructure Accounts	4,494,991	4,001,606	-	493,385	89%
TOTAL EXPENDITURES	\$ 5,456,568	\$ 4,222,112	\$ 3,635	\$ 1,230,821	77%

ROSENBERG DEVELOPMENT CORPORATION
2015-16 ACTUAL
PERIOD ENDED FEBRUARY 29, 2016

Classification	RDC Actual	RDC Projects	Total
Resources:			
Total Beginning Fund Balance @ 10/01/15 (audited)	\$ 5,151,816	\$ 2,074,124	\$ 7,225,940
Revenues and Transfers In	1,732,439	3,671,058	5,403,497
Total Funds Available	<u>\$ 6,884,255</u>	<u>\$ 5,745,182</u>	<u>\$ 12,629,437</u>
Uses/Deductions:			
Expenditures and Transfers Out	4,222,112	1,070,176	5,292,289
Ending Fund Balance:			
Total Ending Fund Balance	\$ 2,662,143	\$ 4,675,006	\$ 7,337,148
Reserved for Debt Service	794,991	\$ -	794,991
Reserved for RDC Projects	-	\$ 4,675,006	4,675,006
Unreserved Fund Balance Total	<u>\$ 1,867,152</u>	<u>\$ -</u>	<u>\$ 1,867,152</u>

**Synopsis of Current Revenues and Expenditures
Rosenberg Development Corporation
For the Month Ended February 29, 2016**

Account Number	Description	Amount
Revenues		
219-0000-402-0000	Sales Taxes	\$ 438,491.95
Total Current Period Revenues		<u>\$ 438,491.95</u>
Expenditures		
219-1000-540-3110	Office Supplies (Administration)	-
219-1000-540-3120	Computer Supplies (Administration)	-
219-1000-540-3135	Business Expenses (Administration)	-
219-1000-540-5120	Insurance/General Insurance (Administration)	-
219-1000-540-5510	Travel (Education and Training)	-
219-1000-540-5710	Other Contractual Services (Administration)	-
Total Administration		<u>\$ -</u>
219-2000-540-4391	Outside Professional Contract Svcs (Marketing)	-
219-2000-540-5220	Postage (Marketing)	-
219-2000-540-5230	Freight and Express (Marketing)	-
219-2000-540-5310	Advertising (Marketing)	9,983.44
219-2000-540-5410	Printing and Binding (Marketing)	327.00
Total Marketing		<u>\$ 10,310.44</u>
219-3000-540-3135	Business Expenses (Business Recruitment)	2,400.00
219-3000-540-4235	Dues/Subscriptions/Memberships (Business Recruitment)	250.00
219-3000-540-4390	RDC Memberships (Business Recruitment)	28,958.50
Total Business Recruitement		<u>\$ 31,608.50</u>
219-5000-540-4315	Engineering (Professional Services)	340.00
219-5000-540-4390	Legal Fees (Professional Services)	-
Total Professional Services		<u>\$ 340.00</u>
219-6000-540-5725	Prospective Business Incentive (Business Retention and Expansion)	-
219-6000-540-5730	Business Appreciation Luncheon (Business Retention and Expansion)	-
Total Business Retention and Expansion		<u>\$ -</u>
219-7000-540-8110	Debt Service (Infrastructure) - Principal for February 2016	51,480.83
219-7000-540-8120	Debt Service (Infrastructure) - Interest for February 2016	14,768.42
219-7000-540-9225	Transfers/Other Fund (Infrastructure) - Transfer to RDC Projects Fund	-
Total Infrastructure		<u>\$ 66,249.25</u>
Total Current Period Expenditures		<u>\$ 108,508.19</u>

**CITY OF ROSENBERG, TEXAS
RDC SALES TAX REVENUES**

Monthly Total Actual Receipts	Cumulative YTD Receipts	Budgeted Receipts		Total YTD Percent of Budget	Prior Year Pct. Increase (Decrease)	
		Monthly	YTD		Month	YTD
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Cumulative (1)		Cumulative (3)		(2)/(4)		

Monthly BTC - I Receipts	Monthly BTC - II Receipts	Monthly Downtown Receipts
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Fiscal Year 2013-14

Oct	\$284,645	\$ 284,645	\$ 254,303	\$ 254,303	111.93%	12.3%	12.3%	\$ 45,426	\$ 26,206	\$ 2,678
Nov	332,266	616,912	301,210	555,512	111.05%	10.7%	11.4%	43,511	62,113	2,709
Dec	300,765	917,676	268,764	824,276	111.33%	12.3%	11.7%	41,356	23,209	2,873
Jan	311,275	1,228,951	241,171	1,065,447	115.35%	29.5%	15.7%	55,706	27,306	3,558
Feb	452,793	1,681,744	358,268	1,423,715	118.12%	26.8%	18.5%	81,972	80,410	5,100
Mar	269,503	1,951,247	241,272	1,664,988	117.19%	12.1%	17.6%	35,930	21,835	2,401
Apr	304,220	2,255,468	254,923	1,919,911	117.48%	19.7%	17.9%	44,267	23,697	3,481
May	372,069	2,627,537	335,114	2,255,025	116.52%	11.4%	16.9%	50,765	60,332	2,784
Jun	321,933	2,949,470	278,024	2,533,049	116.44%	16.2%	16.8%	42,815	24,392	3,429
Jul	322,644	3,272,114	289,771	2,822,820	115.92%	11.7%	16.3%	43,395	26,561	3,439
Aug	381,528	3,653,642	340,121	3,162,941	115.51%	12.5%	15.9%	50,943	63,637	2,954
Sep	365,422	4,019,064	282,259	3,445,200	116.66%	29.9%	17.0%	44,345	26,570	2,944
Total								\$ 580,432	\$ 466,269	\$ 38,351

Fiscal Year 2014-15

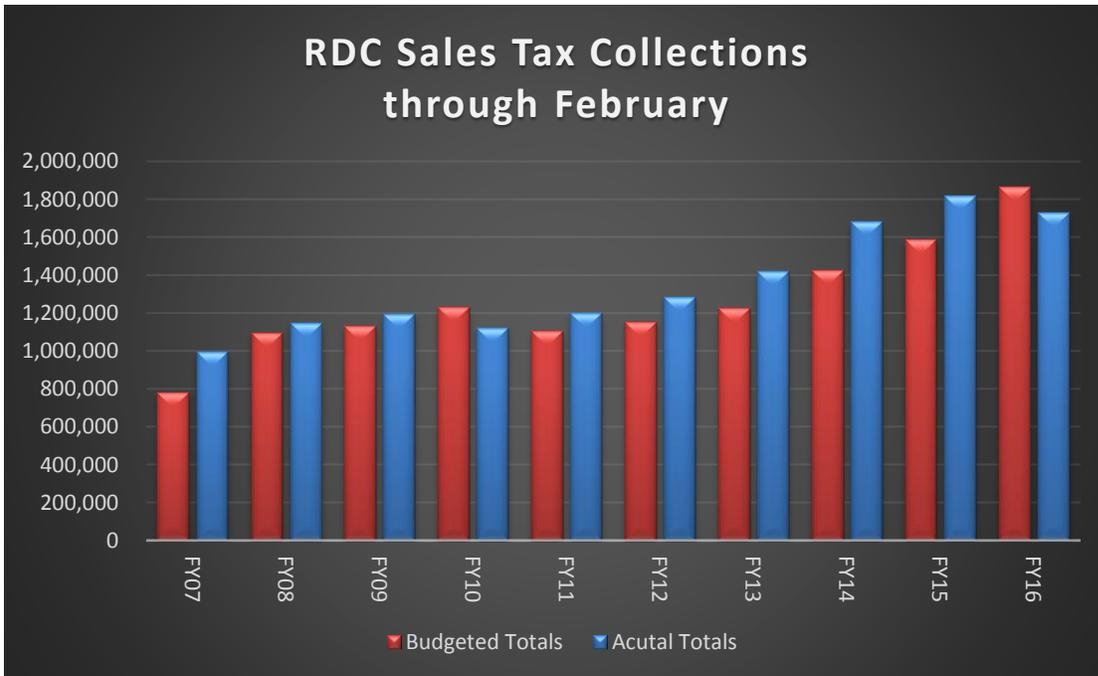
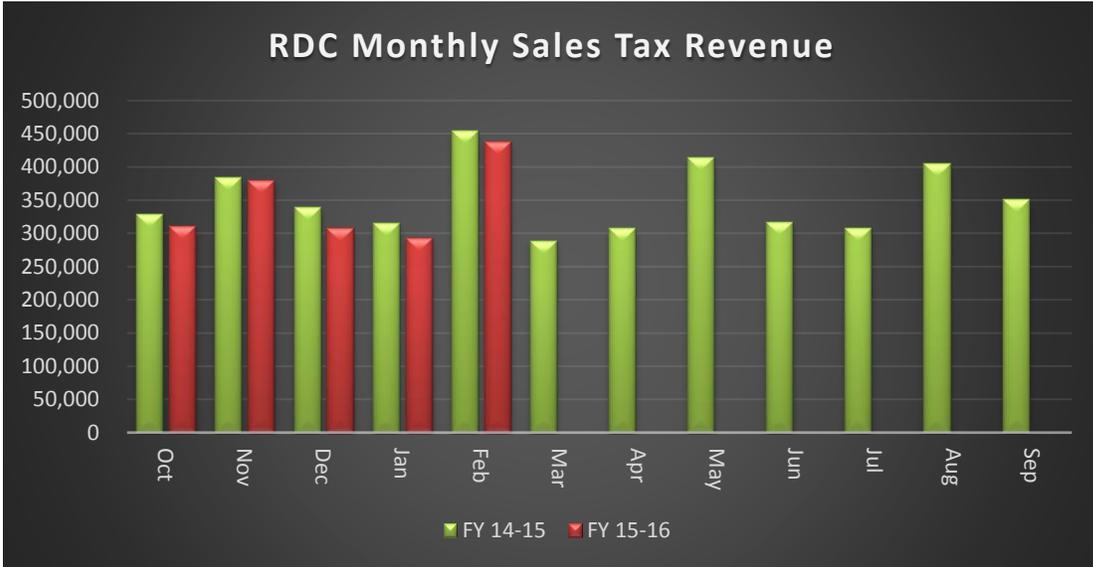
Oct	\$328,597	\$ 328,597	\$ 283,444	\$ 283,444	115.93%	15.4%	15.4%	\$ 47,153	\$ 27,876	\$ 2,454
Nov	383,604	712,201	\$ 335,726	619,171	115.02%	15.5%	15.4%	48,133	66,466	3,267
Dec	338,699	1,050,900	\$ 299,563	918,734	114.39%	12.6%	14.5%	42,177	24,526	2,589
Jan	314,787	1,365,687	\$ 268,808	1,187,542	115.00%	1.1%	11.1%	58,756	28,549	3,443
Feb	453,735	1,819,423	\$ 399,323	1,586,865	114.66%	0.2%	8.2%	87,501	85,910	4,580
Mar	288,676	2,108,098	\$ 268,921	1,855,785	113.60%	7.1%	8.0%	40,699	22,571	3,237
Apr	306,989	2,415,087	\$ 284,136	2,139,921	112.86%	0.9%	7.1%	43,336	23,946	2,340
May	414,271	2,829,359	\$ 373,516	2,513,437	112.57%	11.3%	7.7%	52,568	64,295	3,120
Jun	316,538	3,145,897	\$ 309,884	2,823,322	111.43%	-1.7%	6.7%	41,881	24,158	2,395
Jul	308,052	3,453,949	\$ 322,977	3,146,299	109.78%	-4.5%	5.6%	45,797	26,383	3,140
Aug	404,770	3,858,719	\$ 379,097	3,525,396	109.45%	6.1%	5.6%	52,877	70,363	2,521
Sep	350,958	4,209,677	\$ 314,604	3,840,000	109.63%	-4.0%	4.7%	44,830	28,233	3,130
Total								\$ 605,710	\$ 493,276	\$ 36,216

Fiscal Year 2015-16

Oct	\$310,033	\$ 310,033	\$ 336,525	\$ 336,525	92.13%	-5.6%	-5.6%	\$ 44,573	\$ 24,987	\$ 2,463
Nov	379,210	689,243	\$ 392,860	729,385	94.50%	-1.1%	-3.2%	46,572	72,308	2,579
Dec	308,178	997,421	\$ 346,871	1,076,256	92.68%	-9.0%	-5.1%	40,700	22,481	2,755
Jan	293,263	1,290,684	\$ 322,382	1,398,638	92.28%	-6.8%	-5.5%	55,285	26,409	2,455
Feb	438,492	1,729,176	\$ 464,683	1,863,321	92.80%	-3.4%	-5.0%	83,472	88,318	3,835
Mar	-		\$ 295,641	2,158,961	#VALUE!		#VALUE!			
Apr	-		\$ 314,396	2,473,357	#VALUE!		#VALUE!			
May	-		\$ 424,267	2,897,624	#VALUE!		#VALUE!			
Jun	-		\$ 324,175	3,221,799	#VALUE!		#VALUE!			
Jul	-		\$ 315,484	3,537,283	#VALUE!		#VALUE!			
Aug	-		\$ 414,536	3,951,819	#VALUE!		#VALUE!			
Sep	-		\$ 359,426	4,311,245	#VALUE!		#VALUE!			
Total								\$ 270,601	\$ 234,502	\$ 14,087

**ROSENBERG DEVELOPMENT CORPORATION
SALES TAX REVENUES**

GRAPHS



**Rosenberg Development Corporation
Outstanding Debt Service
2015-2016 Budget**

Fiscal Year	Principal Due	Total Interest	Total Principal & Interest	Adjustment for Business Park	Adjusted Principal & Interest
2015-16	652,770	177,221	829,991	(35,000)	794,991
2016-17	657,305	160,476	817,781	(113,000)	704,781
2017-18	672,840	147,957	820,797	(113,000)	707,797
2018-19	687,875	126,890	814,765	(113,000)	701,765
2019-20	703,410	104,444	807,854	(113,000)	694,854
2020-21	382,980	85,627	468,607	(191,000)	277,607
2021-22	387,515	71,341	458,856	(191,000)	267,856
2022-23	284,800	59,162	343,962	(270,000)	73,962
2023-24	297,835	48,994	346,829	(270,000)	76,829
2024-25	228,190	39,216	267,406	(256,000)	11,406
2025-26	236,225	29,874	266,099		266,099
2026-27	247,295	19,974	267,269		267,269
2027-28	255,330	9,557	264,887		264,887
2028-29	71,400	2,621	74,021		74,021
2029-30	23,005	489	23,494		23,494
Total	\$5,788,775	\$1,083,843	\$6,872,618	(1,665,000)	\$5,207,618

**Rosenberg Development Corporation
RDC Projects Fund
For the Period Ended February 29, 2016**

CP1301		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
FY2013 Park Improvements	225-7000-540-7030	\$ 251,177	\$ 245,886	\$ -	\$ 5,291
Totals		\$ 251,177	\$ 245,886	\$ -	\$ 5,291

CP1302		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Business Park Development	225-7000-540-7030	\$ 3,849,783	\$ 3,360,653	\$ 422,284	\$ 66,845
Project Management Fee	225-7000-540-4395	85,000	71,292	-	13,708
Totals		\$ 3,934,783	\$ 3,431,945	\$ 422,284	\$ 80,553

CP1402		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Aldi Project	225-7000-540-7032	\$ 500,000	\$ 500,000	\$ -	\$ -
Totals		\$ 500,000	\$ 500,000	\$ -	\$ -

CP1501		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Livable Centers	225-7000-540-7035	\$ 250,000	\$ 26,645	\$ -	\$ 223,355
Totals		\$ 250,000	\$ 26,645	\$ -	\$ 223,355

CP1503		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Traffic Signal at Reading Rd and Town Ctr Blvd	225-7000-540-7037	\$ 115,375	\$ -	\$ -	\$ 115,375
Totals		\$ 115,375	\$ -	\$ -	\$ 115,375

CP1507		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Macario Garcia Park Restrooms	225-7000-540-7036	\$ 192,054	\$ 89,558	\$ 100,456	\$ 2,040
Totals		\$ 192,054	\$ 89,558	\$ 100,456	\$ 2,040

CP1601		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Transportation Gateways	225-7000-540-7030	\$ 129,447	\$ 17,441	\$ -	\$ 112,006
Totals		\$ 129,447	\$ 17,441	\$ -	\$ 112,006

CP1603		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Seabourne Creek Nature Center	225-7000-540-7030	\$ 100,000	\$ -	\$ -	\$ 100,000
Totals		\$ 100,000	\$ -	\$ -	\$ 100,000

		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Fort Bend Transit	225-7000-540-7030	\$ 75,000	\$ 75,000	\$ -	\$ -
Totals		\$ 75,000	\$ 75,000	\$ -	\$ -

		Total	Amount Paid	Encumbrance	Remaining
Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Paragon Infrastructure	225-7000-540-7030	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
Totals		\$ 3,000,000	\$ -	\$ -	\$ 3,000,000

**Rosenberg Development Corporation
RDC Projects Fund
For the Period Ended February 29, 2016**

Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Texas State Technical College	225-7000-540-7030	\$ 200,000	\$ -	\$ -	\$ 200,000
Totals		\$ 200,000	\$ -	\$ -	\$ 200,000

Project Description	G/L Account	Total Project Cost	Amount Paid Project To Date	Encumbrance Amount	Remaining Funds
Superior Tanks Incentive	225-7000-540-7030	\$ 25,000	\$ -	\$ -	\$ 25,000
Totals		\$ 25,000	\$ -	\$ -	\$ 25,000

Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Texas Master Naturalists Contribution	225-7000-540-7030	\$ 25,000	\$ -	\$ -	\$ 25,000
Totals		\$ 25,000	\$ -	\$ -	\$ 25,000

Project Description	G/L Account	Project Cost	Project To Date	Amount	Funds
Sidewalk Improvements	225-7000-540-7038	\$ 200,000	\$ -	\$ -	\$ 200,000
Totals		\$ 200,000	\$ -	\$ -	\$ 200,000

Total		\$ 8,912,836	\$ 4,315,183	\$ 522,740	\$ 4,074,912
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Total Project Management Fees		\$ 85,000	\$ 71,292	\$ -	\$ 13,708
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COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
1	Comprehensive Annual Financial Report
ITEM/MOTION	
Consideration of and action on a recommendation regarding the draft Comprehensive Annual Financial Report of the Rosenberg Development Corporation, Fiscal Year Ended September 30, 2015, submitted by Pattillo, Brown and Hill, L.L.P.	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

1. Comprehensive Annual Financial Report

Joyce Vasut
Executive Director of Administrative Services

EXECUTIVE SUMMARY

Pattillo, Brown & Hill, L.L.P., has completed the audit of the Rosenberg Development Corporation's (RDC) financial statements for the fiscal year ended September 30, 2015. The RDC has received an unmodified opinion on the financial statements, which indicates the RDC has presented its financial statements in conformity with Generally Accepted Accounting Principles (GAAP). An unmodified opinion assures that the financial statements are free of material misstatement based upon examination of the supporting documents and disclosures of the figures contained in the RDC's financial statements.

The Comprehensive Annual Financial Report (CAFR) for 2015 was reviewed at the Finance/Audit Committee Meeting (Committee) on March 1, 2016. The Committee recommended one amendment for clarification, and subsequently unanimously recommended the acceptance of the document as revised. Draft minutes for the Committee's recommendation were not yet available at the time this Agenda packet went to print. A letter required by Statement on Accounting Standards No. 114 was presented by the auditors and distributed with the CAFR.

John Manning, with Pattillo, Brown and Hill, L.L.P., will present the RDC Comprehensive Annual Financial Report for 2015, and some of the key financial highlights of the report.

Staff recommends the acceptance of the FY2015 RDC – Comprehensive Annual Financial Report.

**ROSENBERG
DEVELOPMENT CORPORATION**

FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

ROSENBERG DEVELOPMENT CORPORATION

SEPTEMBER 30, 2015

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PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Rosenberg Development Corporation
Rosenberg, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of Rosenberg Development Corporation (the "Corporation"), a component unit of the City of Rosenberg, Texas, as of and for the year ended September 30, 2015, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Rosenberg Development Corporation as of September 30, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 19 through 20, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Waco, Texas
_____, 2016

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis

As management of Rosenberg Development Corporation (the "Corporation"), we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the year ended September 30, 2015.

FINANCIAL HIGHLIGHTS

- As of September 30, 2015, the Corporation had net position (government-wide) of \$1,028,040 and a governmental fund balance (fund level) of \$5,151,815.
- The Corporation's cash, cash equivalents and investments balance at September 30, 2015, was \$4,845,872, representing an increase of \$1,732,097 from September 30, 2014.
- The Corporation had total revenues, for government-wide and fund level purposes, of \$4,190,367 for the year ended September 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The *statement of activities* presents information showing how the Corporation's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The government-wide financial statements present functions of the Corporation that are provided from funding sources (governmental activities). The government-wide financial statements can be found on pages 9 – 10 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Corporation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Corporation consist of governmental funds.

Governmental Funds – Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources (modified accrual basis), as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide an adjustments column to facilitate this comparison between the governmental funds and *governmental activities*. The basic governmental fund financial statements can be found on pages 9 – 10 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 – 18 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Corporation’s General Fund budget. Required supplementary information can be found on pages 19 – 20 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Corporation, assets exceeded liabilities by \$1,028,040 as of September 30, 2015. The Corporation does not own any capital assets. Once capital asset acquisitions occur, the assets are transferred/assigned to the City of Rosenberg (the “City”). However, the Corporation has guaranteed to repay certain debt issued by the City of Rosenberg.

All of the Corporation’s net position represent unrestricted financial resources available for future operations.

**Summary of Statement of Net Position
As of September 30, 2015 and 2014**

	Governmental Activities		Variance
	2015	2014	
Current and other assets	\$ 5,532,550	\$ 3,824,161	\$ 1,708,389
Total assets	<u>5,532,550</u>	<u>3,824,161</u>	<u>1,708,389</u>
Current and other liabilities	<u>380,735</u>	<u>68,882</u>	(311,853)
Noncurrent liabilities:			
Due within one year	617,770	767,235	149,465
Due within more than one year	<u>3,506,005</u>	<u>4,123,775</u>	<u>617,770</u>
Total liabilities	<u>4,504,510</u>	<u>4,959,892</u>	<u>455,382</u>
Net position:			
Unrestricted	<u>1,028,040</u>	(1,135,731)	<u>2,163,771</u>
Total net position	<u>\$ 1,028,040</u>	<u>\$(1,135,731)</u>	<u>\$ 2,163,771</u>

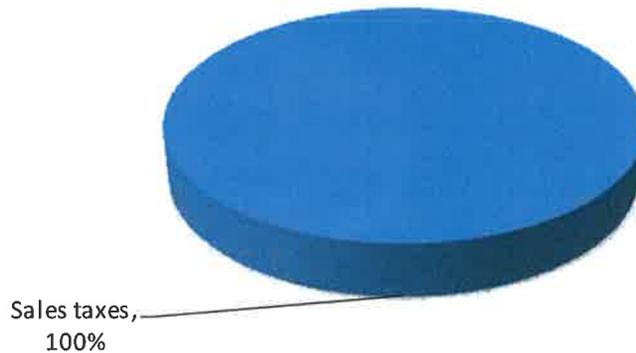
Net position of the Corporation, all of which relate to governmental activities, increased by \$2,163,771. The increase can be attributed to an increase in sales taxes allocated to the Corporation. The increase in sales tax was \$72,484 over FY 2014 and, in FY 15, total revenues collected were \$345,367 over the budgeted amount. The increase also stemmed from staying under budget with Corporation expenses by \$781,638.

**Changes in Net Position
For the Fiscal Years Ended September 30, 2015 and 2014**

	Governmental Activities		Variance
	2015	2014	
Revenues			
General revenues:			
Sales taxes	\$ 4,186,661	\$ 4,114,177	\$ 72,484
Investment earnings	<u>3,706</u>	<u>3,544</u>	<u>162</u>
Total revenues	<u>4,190,367</u>	<u>4,117,721</u>	<u>72,646</u>
Expenses			
Administration	256,232	249,680	(6,552)
Marketing	145,137	104,648	(40,489)
Strategic planning	197,144	61,704	(135,440)
Project funding	1,230,375	3,929,467	2,699,092
Interest and fiscal charges	<u>197,708</u>	<u>219,694</u>	<u>21,986</u>
Total expenses	<u>2,026,596</u>	<u>4,565,193</u>	<u>2,538,597</u>
Revenues (under) over expenditures	2,163,771	(447,472)	-
Special item	<u>-</u>	<u>1,700,000</u>	<u>-</u>
Change in net position	2,163,771	1,252,528	-
Net position, beginning	<u>(1,135,731)</u>	<u>(2,388,259)</u>	<u>-</u>
Net position, ending	<u>\$ 1,028,040</u>	<u>\$(1,135,731)</u>	<u>\$ -</u>

Please see Note G in the notes to the financial statements for an explanation of the special item.

Governmental Revenues



FINANCIAL ANALYSIS OF THE CORPORATION'S FUNDS

As previously noted, the Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Corporation's governmental fund is discussed below:

Governmental Fund – The focus of the Corporation's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Corporation's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of September 30, 2015, the Corporation's governmental fund, which consists of the General Fund, reported an ending fund balance of \$5,151,815, which is an increase of \$1,396,536 from last year's total of \$3,755,279. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 184% of total General Fund expenditures of \$2,793,831.

The Corporation's governmental fund transfers monies for designated projects to a separate projects fund, administered by the City of Rosenberg. The ending fund balance in this fund at September 30, 2015, is \$2,074,125. The projects being administered in this fund as of September 30, 2015, are as follows:

Projects	Cumulative Expenditures as of September 30, 2015	Commitments as of September 30, 2015
Parks Improvements	\$ 245,856	\$ 5,321
FY15 Transportation Gateway Improvements	25,553	54,447
Business Park Development	3,033,893	900,890
Downtown Parking Lot	262,500	-
Livable Centers	25,540	224,460
Macario Garcia Park Restrooms	11,010	138,990
Traffic Signal at Reading Rd and Town Ctr Blvd	-	115,375
Aldi Project	-	500,000
	\$ 3,604,352	\$ 1,939,483

CAPITAL ASSETS

The Corporation had no capital assets as of September 30, 2015.

DEBT ADMINISTRATION

The Corporation does not issue debt under its own credit backing. The City has an understanding with the Corporation that the Corporation will pay \$4,123,775 of the City's outstanding bonded debt backed by the full faith and credit of the City. The following is a list of projects funded by the Corporation:

Outstanding Debt Commitments

<u>City Debt Issue</u>	<u>Project</u>	<u>Total</u>
Certificates of Obligation, Series 2008	Reimbursement of developer infrastructure agreement	\$ 702,000
Certificates of Obligation, Series 2009	Reimbursement of developer infrastructure agreement	605,000
Certificates of Obligation, Series 2010A	Reimbursement of developer infrastructure agreement	248,775
Certificates of Obligation, Series 2010C	Reimbursement of developer infrastructure agreement	1,013,000
General Obligation Refunding Bonds, Series 2011	Reimbursement of developer infrastructure agreement	735,000
General Obligation Refunding Bonds, Series 2012	Reimbursement of developer infrastructure agreement	<u>820,000</u>
Total outstanding debt commitments		<u>\$ 4,123,775</u>

GENERAL FUND HIGHLIGHTS

- Total fund balance in the General Fund increased to \$5,151,815. The Corporation has budgeted operating revenues of \$3,845,000 and operating expenses of \$3,575,469 for the 2015 fiscal year. It was estimated that the Corporation will have an ending fund balance of \$4,024,810 at the end of the 2015 fiscal year.
- The Corporation is a recipient of a one-half cent sales tax from the City of Rosenberg for ongoing operations. As such, general economic conditions regarding sales tax receipt trends will have a direct impact on operations.
- The Corporation also had \$1.7 million of the outstanding debt that the Corporation had pledged to pay, forgiven by the City during FY 2014. This is reflected as a special item in the prior year financial statements. The debt forgiveness was a one-time event that was scheduled for FY 2014. There was no such agreement made or scheduled for FY 2015.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of Rosenberg Development Corporation's finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Rosenberg Development Corporation: Joyce Vasut, Director of Finance, City of Rosenberg, P. O. Box 32, Rosenberg, Texas 77471.

**BASIC
FINANCIAL STATEMENTS**

ROSENBERG DEVELOPMENT CORPORATION
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2015

	<u>Governmental Fund Type</u>		<u>Statement of Net Position</u>
	<u>General</u>	<u>Adjustments/ Reclasses</u>	
ASSETS			
Cash and investments	\$ 4,845,872	\$ -	\$ 4,845,872
Receivables:			
Sales tax	<u>686,678</u>	<u>-</u>	<u>686,678</u>
Total assets	<u>5,532,550</u>	<u>-</u>	<u>5,532,550</u>
LIABILITIES AND FUND BALANCES/NET POSITION			
Liabilities:			
Accounts payable	380,735	-	380,735
Noncurrent liabilities:			
Due within one year	-	617,770	617,770
Due in more than one year	<u>-</u>	<u>3,506,005</u>	<u>3,506,005</u>
Total liabilities	<u>380,735</u>	<u>4,123,775</u>	<u>4,504,510</u>
Fund balance:			
Restricted for economic development	<u>5,151,815</u>	<u>(5,151,815)</u>	<u>-</u>
Total fund balance	<u>5,151,815</u>	<u>(5,151,815)</u>	<u>-</u>
Total liabilities and fund balance	<u>5,532,550</u>	<u>-</u>	<u>-</u>
NET POSITION			
Unrestricted	<u>-</u>	<u>1,028,040</u>	<u>1,028,040</u>
Total net position	<u>\$ -</u>	<u>\$ 1,028,040</u>	<u>\$ 1,028,040</u>

The accompanying notes are an integral part of these financial statements.

ROSENBERG DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>General</u>	<u>Adjustments/ Reclasses</u>	<u>Statement of Activities</u>
REVENUES			
Sales taxes	\$ 4,186,661	\$ -	\$ 4,186,661
Investment earning	3,706	-	3,706
Total revenue	<u>4,190,367</u>	<u>-</u>	<u>4,190,367</u>
EXPENDITURES/EXPENSES			
Current:			
Administration	256,232	-	256,232
Marketing	145,137	-	145,137
Strategic planning	197,144	-	197,144
Project funding	1,230,375	-	1,230,375
Debt service:			
Principal retirement	767,235	(767,235)	-
Interest and fiscal charges	197,708	-	197,708
Total expenditures/expenses	<u>2,793,831</u>	<u>(767,235)</u>	<u>2,026,596</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	1,396,536	767,235	2,163,771
CHANGE IN FUND BALANCE/NET POSITION	1,396,536	767,235	2,163,771
FUND BALANCE/NET POSITION, BEGINNING	<u>3,755,279</u>	<u>(4,891,010)</u>	<u>(1,135,731)</u>
FUND BALANCE/NET POSITION, ENDING	<u>\$ 5,151,815</u>	<u>\$(4,123,775)</u>	<u>\$ 1,028,040</u>

The accompanying notes are an integral part of these financial statements.

ROSENBERG DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rosenberg Development Corporation (the "Corporation") have been prepared in accordance with generally accepted accounting principles. The following is a summary of the most significant policies:

The Corporation is a not-for-profit industrial development corporation within the City of Rosenberg, Texas (the "City"), organized pursuant to the provisions of Article 5190.6 of the Texas Revised Civil Statute (the Development Corporation Act of 1979) and governed by Section 4B of the Act. The Corporation was created to promote and expand commerce in the City and to finance development projects of public purpose, which are approved by City Council. State law allows the City to collect sales tax to assist in the promoting and developing activities within the City. The Corporation has been included as a discretely presented component unit in the City's financial statements. The City Council approves all actions of the Corporation and appoints the seven members of the Board of Directors. Directors are appointed for two-year terms, and four of the Directors cannot be members of the City Council. The issuance of debt by the Corporation is subject to review and approval by City Council. The Corporation employs, through a contract with the City, a manager who functions as the administrator of the Corporation. The City's Director of Finance serves to support the Treasurer of the Corporation, and the City Secretary serves to support the Secretary of the Corporation.

A. Reporting Entity

The Corporation's financial statements include all the accounts and activities of the Corporation. Based on considerations prescribed by generally accepted accounting principles, the Corporation is considered a component unit of the City. The City issues its own annual financial report for all the City's activities including the Corporation.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the Corporation's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the Corporation is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the Corporation's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Although not considered significant in the Corporation's reporting entity evaluation, other prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these considerations, no other entities, organizations or functions have been included in the Corporation's financial reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units, as applicable. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The Corporation had no business-type activities or component units as of and for the year ended September 30, 2015.

The governmental funds financial statements consist of the balance sheet and statement of revenues, expenditures and changes in fund balance. These financial statements have been adjusted to arrive at the government-wide financial statement balances (statement of net position and statement activities). Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued include interest earned on investments and income from Corporation operations. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service requirements, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The accounting system is organized on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accountings, which comprise its assets, liabilities, fund equity or deficit, revenues and expenditures.

The Corporation reports the following governmental fund:

General Fund – The General Fund is used to account for all financial transactions of the Corporation. The principal sources of revenue are assessments to taxing authorities and interest earned on investments. Expenditures include all costs associated with the daily operations of the Corporation.

D. Cash and Cash Equivalents

The Corporation classifies investments, which have a remaining maturity of one year or less, at the date of purchase as “money market investments” in accordance with Governmental Accounting Standards Board Statement No. 31 (GASB 31). GASB 31 defines “money market investments” as short-term, highly liquid debt instruments including commercial paper, banker’s acceptances and U. S. Treasury and agency obligations. The Corporation values its “money market investments” at fair value.

E. Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

F. Federal Income Tax Status

As an Economic Development Corporation formed in accordance with Texas state statute, the Corporation’s income is derived from essential government function under the general definitions of a public agency of the state, a political subdivision thereof, or a municipality as provided for in Sec. 115(1) of the Internal Revenue Code and as such is excludable from gross income. Therefore, no provision for income taxes is made in the financial statements.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The corporation does not have any items that qualify for reporting in either of the above categories in the current fiscal year.

II. DETAILED NOTE ON ALL FUNDS

A. Deposits and Investments

Cash and cash equivalents consist of a checking account of deposit and TexPool. The carrying amounts for cash and cash equivalents balances, which approximate fair values, at September 30, 2015, are as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Texpool	\$ 4,583,130	40

The Corporation considers the holdings in TexPool to have a one-day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

The State of Texas exercises oversight responsibility over TexPool in accordance with state laws and the Public Funds Investment Act. These external pools operate in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. Net position is reported using amortized cost rather than market value in computing share price. In accordance with TexPool management policies, the net asset value will always be between .9965 and 1.0035. Accordingly, the fair value of the Corporation's position in the pool is the same as the value of the shares in the pool.

Custodial Credit Risk – Deposits

For deposits, this is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it. Collateral is required for all bank deposits at 100% of deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts. Collateral pledged to cover the Corporation's deposits is required to be held in the Corporation's name by the trust department of a bank other than the pledging bank (the Corporation's agent). Collateral securities must bear a Baa-1 or better rating to qualify for use in securing uninsured depository balances. Deposits at year-end are representative of the types of deposits maintained by the Corporation during the year.

As of September 30, 2015, the Corporation was fully collateralized.

Investment Policies

Applicable state laws and regulations allow the Corporation to invest its funds in direct or indirect obligations of the United States, the state, or any county, city, school, corporation, or other political subdivision of the state. Funds may also be placed in certificates of deposit of state or national banks or savings and loan associations (depository institutions) domiciled within the state. Related state statutes and provisions included in the Corporation's bond resolutions require that all funds invested in depository institutions be guaranteed by federal depository insurance and/or be secured in the manner provided by law for the security of public funds.

Interest Rate Risk

In accordance with its investment policy, the Corporation manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 180 days to meet cash requirements for ongoing operation.

Credit Risk – Investments

In accordance with its investment policy, the Corporation minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities. The Corporation's investment pools, TexPool, was rated AAAM, by Standard & Poor's Investors Service.

B. Sales Taxes

The Corporation's revenues consist principally of a ½ cent sales tax, which was approved by voters for the purpose of economic development activities and costs associated with promoting and enhancing economic and industrial development. For the year ended September 30, 2015, the Corporation earned \$4,186,661 in sales tax.

C. Monies Deposited With Primary Government

A special fund was created in fiscal year 2007 into which the Corporation deposits monies to fund all Corporation projects in advance. The City of Rosenberg administers these funds for the Corporation. As of September 30, 2015, this fund has ending balance of \$2,074,125.

D. Net Position Flow Assumption

Sometimes the Corporation will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Corporation's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

E. Fund Balances

The Governmental Accounting Standards Board has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the following five fund balance categories:

- Nonspendable: To indicate fund balance associated with inventories, prepaids, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).

- **Restricted:** To indicate fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- **Committed:** To indicate fund balance that can be used only for the specific purposes determined by a formal action of the Board (the Board’s highest level of decision-making authority). The Board must place an item on the Board’s agenda, followed by a formal action to approve such, in order to establish, modify or rescind a fund balance commitment.
- **Assigned:** To indicate fund balance to be used for specific purposes but do meet the criteria to be classified as restricted or committed. Currently, only Board has the authority to assign fund balances.
- **Unassigned:** To indicate the residual classification of fund balance in the General Fund and includes all spendable amounts not contained in the other classifications.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

Fund balance for the major governmental fund as of September 30, 2015, was distributed as follows:

	<u>General</u>
Restricted for:	
Economic development	\$ 5,151,815
Total	<u>\$ 5,151,815</u>

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The Corporation does not currently have any such policies.

F. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Corporation is covered under the City’s participation in the Texas Municipal League’s General Liability Fund. In addition, the City participates in the Texas Municipal League’s Workers’ Compensation Fund to insure the City for workers’ compensation claims. The City has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts for the past three fiscal years.

G. Long-term Debt

Notes Payable

Portions of the 2008, 2009, 2010A and 2010C certificates of obligation are payable by forming the Rosenberg Development Corporation in the amounts of \$702,000, \$605,000, \$248,775, and \$1,013,000, respectively. Lastly, a portion of the 2011 and 2012 general obligation refunding bonds are also being paid from the Rosenberg Development Corporation in the amounts of \$735,000 and \$820,000. These amounts are being shown as liabilities in the Rosenberg Development Corporation as these amounts have been guaranteed by the Corporation. The amounts are also shown as liabilities in the governmental activities of the City as the actual debt is in the name of the City of Rosenberg, Texas and the City is ultimately responsible for the repayment of the debt. The debt in the governmental activities is being offset by a note receivable from the Rosenberg Development Corporation.

The annual requirements to amortize the Rosenberg Development Corporation's portion of these liabilities outstanding as of September 30, 2015, are as follows:

Year Ending September 30,	Rosenberg Development Corporation	
	Principal	Interest
2016	\$ 617,770	\$ 177,221
2017	544,305	160,476
2018	559,840	147,958
2019	574,875	126,890
2020	590,410	104,444
2021-2025	403,320	304,340
2026-2030	833,255	62,514
Totals	\$ 4,123,775	\$ 1,083,843

H. Commitments and Contingencies

The Rosenberg Development Corporation (RDC) entered into a Performance Agreement dated May 19, 2015 with Paragon Outlets Rosenberg Limited Partnership for the construction and development of a retail outlet mall. Under this agreement, the RDC has agreed to fund up to \$4,750,000 of infrastructure associated with the Paragon Outlets Rosenberg Limited Partnership if it meets certain requirements by a specified date. The RDC has paid for phase one (\$3,000,000) to the City and is held in the RDC projects fund.

The RDC has also signed an incentive agreement with Superior Tanks for the expansion of Superior Tanks from 8,000 sq. ft. to 54,000 sq. ft. The agreement with Superior Tanks is to fund up to \$75,000 to Superior Tanks over the next seven years. The RDC has paid for year one and the monies being held in the RDC projects fund.

The RDC entered into a performance agreement with Texas State Technical College (TSTC) to fund up to \$2,500,000 for a 104,000 sq. ft. TSTC Campus to be located in Rosenberg. The payments are made as follows:

- Year One – Five: \$200,00
- Year Six – Ten: \$300,000

Fort Bend Transit – The RDC has entered into a performance agreement with Fort Bend Transit and Fort Bend County to provide funding of \$75,000/annually for a three year period for an expanded bus route through Rosenberg.

Rosenberg Business Park – The RDC and City of Rosenberg have entered into a development agreement with the Rosenberg Business Park LTD., for the development of the Rosenberg Business Park. The RDC and city are committed to each fund 50% of the total infrastructure costs for phase two of the Business Park Infrastructure. The anticipated costs of each entity are expected to be \$852,450.

The Rosenberg Development Corporation has entered into a performance agreement with CVS Pharmacy to fund 50% of costs associated with a traffic signal at the intersection of Reading Road and Spacek. The total RDC funding is not to exceed \$192,465.

I. Special Item

In FY 2014, in an agreement with the City, \$1,700,000 of debt that was originally scheduled to be paid by the Corporation, was forgiven and is no longer a liability of the Corporation. The debt forgiveness was a one-time event that was scheduled for FY 2014. There was no such agreement made or scheduled for FY 2015.

**REQUIRED
SUPPLEMENTARY INFORMATION**

ROSENBERG DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
REVENUES				
Sales taxes	\$ 3,840,000	\$ 3,840,000	\$ 4,186,661	\$ 346,661
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>3,706</u>	(1,294)
Total revenues	<u>3,845,000</u>	<u>3,845,000</u>	<u>4,190,367</u>	<u>345,367</u>
EXPENDITURES				
Current:				
Administration	257,724	257,724	256,232	1,492
Marketing	167,427	167,427	145,137	22,290
Strategic planning	40,000	200,000	197,144	2,856
Project funding	1,855,375	1,985,375	1,230,375	755,000
Debt service:				
Principal retirement	767,235	767,235	767,235	-
Interest and fiscal charges	<u>197,708</u>	<u>197,708</u>	<u>197,708</u>	<u>-</u>
Total expenditures	<u>3,285,469</u>	<u>3,575,469</u>	<u>2,793,831</u>	<u>781,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	559,531	269,531	1,396,536	1,127,005
FUND BALANCE, BEGINNING	<u>3,755,279</u>	<u>3,755,279</u>	<u>3,755,279</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 4,314,810</u>	<u>\$ 4,024,810</u>	<u>\$ 5,151,815</u>	<u>\$ 1,127,005</u>

ROSENBERG DEVELOPMENT CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted by the Corporation and approved by Rosenberg City Council using the same basis of accounting as for financial reporting purposes. Encumbrance accounting is utilized.

Expenditures may not legally exceed budget appropriations. The Corporation's Board and City Council must approve expenditure requests, which would require an increase in budget appropriations, through a formal budget amendment.

The budget is typically adopted in the summer and is later amended as appropriate by the Board.



PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

Board of Directors
Rosenberg Development Corporation
Rosenberg, Texas

We have audited the financial statements of the governmental activities and the major fund of the Rosenberg Development Corporation for the year ended September 30, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated November 5, 2015, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Rosenberg Development Corporation solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

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**Governmental Audit
Quality Center**

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and, as appropriate, our firm have complied with all relevant ethical requirements regarding independence.

As a part of the engagement we assisted in preparing the financial statements and related notes to the financial statements of Rosenberg Development Corporation in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services were not conducted in accordance with *Government Auditing Services*.

In order to ensure we maintain our independence for performing these nonaudit services certain safeguards were applied to this engagement. Management assumed responsibility for the financial statements, schedule of expenditures of federal awards, and related notes to the financial statements and any other nonaudit services we provided. Management acknowledged in the management representation letter our assistance with the preparation of the financial statements, schedule of expenditures of federal awards, and related notes to the financial statements and that these items were reviewed and approved prior to their issuance and accepted responsibility for them. Further, the nonaudit services were overseen by an individual within management that has the suitable skill, knowledge, or experience; evaluated the adequacy and results of the services; and accepted responsibility for them.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Rosenberg Development Corporation is included in Note I to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The Corporation does not have any accounting estimates that were deemed sensitive.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The Corporation does not have any disclosures that were deemed sensitive.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Rosenberg Development Corporation's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated , 2016.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Rosenberg Development Corporation, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Rosenberg Development Corporation's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Rosenberg Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Waco, Texas

 , 2016



COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
2	Resolution No. RDC-101 - Budget Adjustment
ITEM/MOTION	
Consideration of and action on Resolution No. RDC-101, a Resolution of the Board of Directors of the Rosenberg Development Corporation amending the Fiscal Year 2015-16 Annual Budget in the amount of \$80,000 for professional services - legal.	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY:

1) Resolution No. RDC-101 Budget Adjustment

Joyce Vasut
Executive Director of Administrative Services

EXECUTIVE SUMMARY

The budget for Professional Services - Legal for FY2015-2016 is \$40,000. Invoices received through February 29, 2016, total \$43,496.09. Payments were made to the following:

- Denton Navarro Rocha Bernal Hyde & Zech, P.C.: \$ 36,932.69
- Jeanne M. McDonald, Attorney: \$ 6,563.40
- Total \$ 43,496.09

Denton Navarro Rocha Bernal Hyde and Zech, P.C., provides services for general legal matters and litigation services regarding Imperial Arts. Jeanne McDonald provides legal services for development and performance agreements.

This budget amendment would provide the additional funds for the Professional Services - Legal line item. Staff recommends approval of Resolution No. RDC-101.

RESOLUTION NO. RDC-101

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION AMENDING THE FISCAL YEAR 2015-16 ANNUAL BUDGET IN THE AMOUNT OF \$80,000 FOR PROFESSIONAL SERVICES - LEGAL.

* * * * *

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION:

Section 1. The Rosenberg Development Corporation (RDC) does hereby approve the amendment of its Fiscal Year 2015-16 Annual Budget by allocating \$80,000.00 from Unrestricted Fund Balance for Professional Services - Legal, and further authorizing the expenditure of said funds for the aforementioned expenses.

PASSED, APPROVED, AND RESOLVED on this _____ day of _____ 2016.

ATTEST:

Rosenberg Development Corporation

Linda Cernosek, **City Secretary**

Bill Knesek, **President**



COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
3	Fort Bend Transit
ITEM/MOTION	
Review and discuss Fort Bend Transit Bus Route, and take action as necessary.	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Randall Malik
RDC Executive Director

1. RDC Meeting Draft Minute Excerpt – 02-11-16
2. Map of Richmond/Rosenberg Bus Route
3. Route 1 – Blue Route
4. Route 2 – Green Route
5. Route 3 – Purple Route

EXECUTIVE SUMMARY

At the February RDC Meeting, President Bill Knesek requested an agenda item to discuss the Fort Bend Transit – Richmond/Rosenberg Bus Route.

Currently, the RDC Bylaws and the Administrative Services Agreement with the City indicate that the RDC Executive Director is to be an employee of the City of Rosenberg. Further, Resolution No. RDC-82 (adopted 08-13-13) designates the Economic Development Director of the City of Rosenberg as the Executive Director of the RDC.

KEY DISCUSSION POINTS

Randall Malik read the Executive Summary and stated that two items were not discussed and decided upon at the last meeting, 1) Article 4.09 as it relates to the oversight structure of the RDC Executive Director; and 2) Article 3.03 as it related to the number of Council members serving on the RDC Board of Directors.

Scott Tschirhart, City Attorney, presented a memo concerning the Executive Director's position. President Knesek asked that the discussion be delayed until the next meeting, so the board could read and review the memo handed out at the meeting.

ACTION

Motion by Director, Rosenberg Development Corporation Ted Garcia, seconded by Councilor, District 4, Director, Rosenberg Development Corporation Lynn Moses to table the discussion on the number of Council Directors to serve on the Rosenberg Development Corporation and the Executive Director (Article 3.03) and the oversight structure of the RDC Executive Director (Article 4.09) until the March 2016 RDC meeting.

Vote: 6 - 0 Carried

President Knesek adjourned for a break at 5:32 p.m.

7. **Hold Executive Session to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease or value of real property pursuant to Section 551.072; and, regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.**
8. **Adjourn Executive Session, reconvene Regular Session, and the Rosenberg Development Corporation may take action as necessary as a result of Executive Session**
President Knesek adjourned the Executive Session and reconvened into Regular Session.
9. **Review and discuss a report from the Rosenberg Development Corporation Executive Director regarding the previous month's activities and contacts, which includes updates on the following:**
 - a. **Economic Indicators;**
 - b. **Business Retention Visits;**
 - c. **New and Expanded Businesses;**
 - d. **Existing Businesses; and,**
 - e. **Past and Current RDC Projects.****UTIVE SUMMARY**
This item has been included to provide the Executive Director an opportunity to update the Board on the previous month's activities, contacts, and projects.

KEY DISCUSSION POINTS

Randall Malik reported that:

- The RDC, City Council, and staff will be touring the Port of Freeport on Thursday, February 18, 2016. Randall Malik had the opportunity to represent the RDC Board in Panama. The canal is 90% complete. The Port of Freeport is positioned in the Gulf of Mexico to handle some of the larger vessels. Some of the shippers will require two sets of rail lines. At the present time, they are using one rail line, Union Pacific Rail, that runs through Arcola, Texas. With the expanded Panama Canal, the vessels can now go through the Port of Freeport.
- Mayor McConathy stated that the intermodal rail lines in both Kandleton and Rosenberg will stay very busy when the Panama Canal vessels use the Port of Freeport.
- On March 10, 2016, the Highway 36 Coalition will talk about the Port of Freeport and give updates.

10. **Review and discuss requests for future Agenda items, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

This item provides the RDC Board an opportunity to request future Agenda items.

KEY DISCUSSION POINTS

- Director Pena stated the committee has met on the RDC housing and they plan to present a report to the board at the next meeting.
- President Knesek asked Jeremy Heath for a brief report on the statistics on how the housing is doing.
- President Knesek is concerned about the Fort Bend County buses not having an identity on the buses. He would like to see "Rosenberg transit" written on the buses. Mayor McConathy stated the feedback she has received is that people don't know the buses are available and think they are by appointment only. There needs to be more awareness made of the transit bus service.
- President Knesek asked that public transit be put on a future agenda and to get a route brochure.
- President Knesek mentioned that I-69 is being built and as you pass the FM 762 exit, the sign reads "Rosenberg next 3 exits". He would like to see the sign read "Rosenberg next 4 exits". There is supposed to be some nice landscaping coming in around the FM 762 exit and he would like that landscaping identified with Rosenberg.
- President Knesek mentioned he would like to see the feasibility of signage for the Rosenberg Business Park (possibly with discussions with TXDOT).
- RDC By Law amendments (Article 3.03 Relating to number of City Council Members on the RDC Board; and Article 4.09 Executive Director).

11. **Announcements.**
There were no announcements.

12. **Adjournment.**

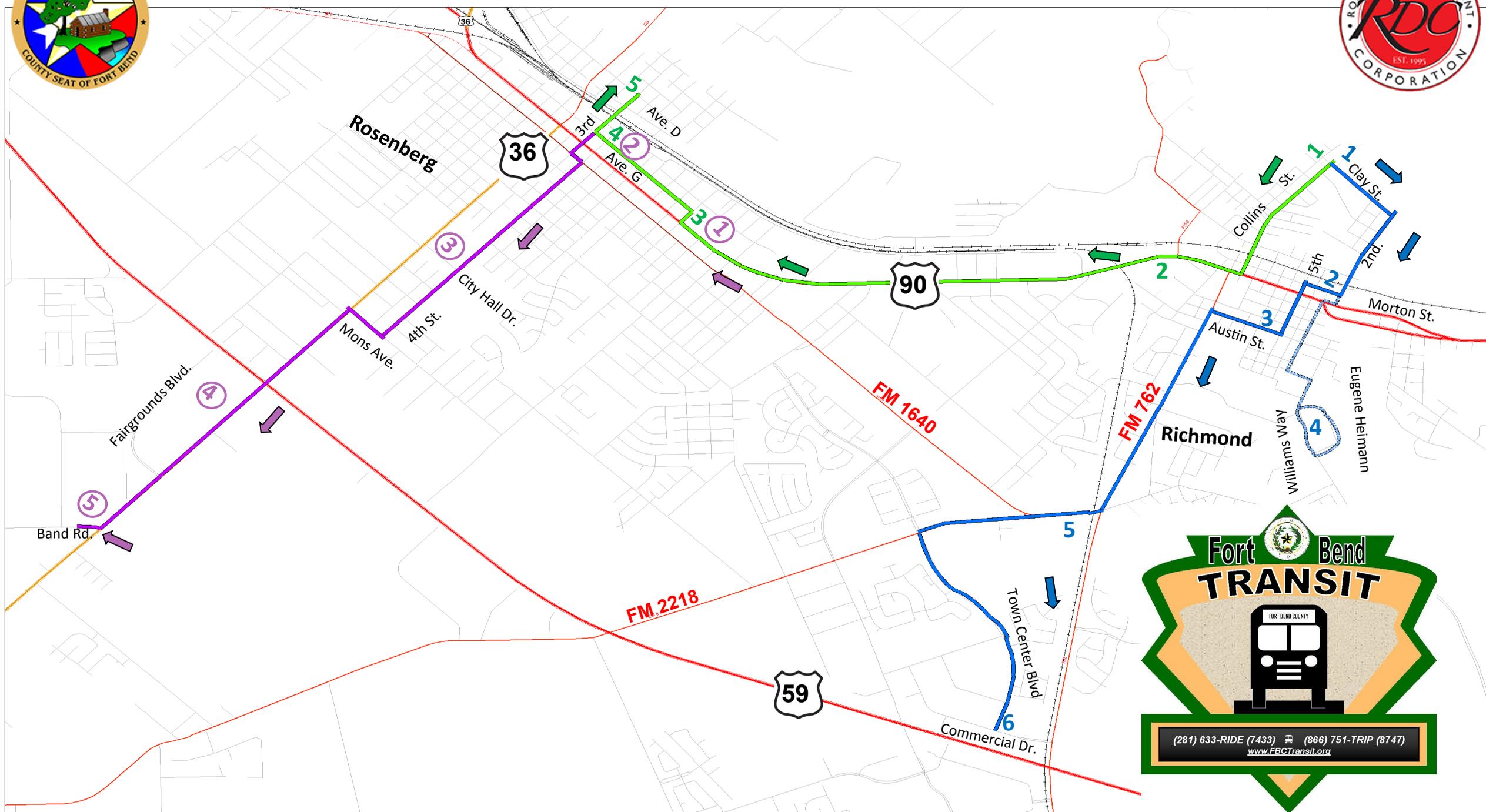
ACTION

Motion by Director, Rosenberg Development Corporation Allen J. Scopel, seconded by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena to adjourn at 6:15 p.m.

Vote: 6 - 0 Carried

Linda Cernosek, TRMC, City Secretary

Richmond/Rosenberg Routes



Fort Bend TRANSIT

FORT BEND COUNTY

(281) 633-RIDE (7433) (866) 751-TRIP (8747)
www.FBCTransit.org

Route 1 Locations-Richmond Blue

1. Catholic Charities
1111 Collins Rd.
Richmond, Tx 77469
2. Richmond City Hall
402 Morton St.
Richmond, Tx 77469
3. Family Health Center/Access Health
400 Austin St.
Richmond, Tx 77469
4. Fort Bend County Justice Center
1422 Eugene Heimann Circle
Richmond, Tx 77469
5. Richmond Walmart #546
5330 FM 1640
Richmond, Tx 77469
6. Target @ 59
Brazos Town Center
23912 Commercial Dr.
Rosenberg, Tx 77471

Route 2 Locations-Connector Green

1. Catholic Charities
1111 Collins Rd.
Richmond, Tx 77469
2. Oak Bend Medical Center
1705 Jackson St.
Richmond, Tx 77469
3. Fiesta
3707 Avenue H
Rosenberg, Tx 77471
4. Avenue G @ 4th St.
5. 3rd St. @ Avenue D

Route 3 Locations

1. Fiesta
3707 Avenue H
Rosenberg, Tx 77471
2. 4th St. @ Avenue G
3. Rosenberg City Hall
2110 4th St.
Rosenberg, Tx 77471
4. Fairgrounds Park & Ride
State Hwy 36 @ U.S. 59
Rosenberg, TX 77471
5. Bud O'Shieles Community Center
1330 Band Rd
Rosenberg, Tx 77471

Blue Route - Richmond

Catholic Charities	Richmond City Hall	Family Health Ctr/ Access Health	Fort Bend County Justice Center	Richmond Walmart	Richmond Target
7:25 AM	7:30 AM	7:35 AM		7:40 AM	7:55 AM
8:25 AM	8:30 AM	8:35 AM		8:40 AM	8:55 AM
9:25 AM	9:30 AM	9:35 AM		9:40 AM	9:55 AM
10:25 AM	10:30 AM	10:35 AM		10:40 AM	10:55 AM
	11:20 AM		11:35 AM		
	11:50 AM		12:05 PM		
	12:20 PM		12:35 PM		
	12:50 PM		1:05 PM		
	1:20 PM		1:35 PM		
	1:50 PM		2:00 PM		
2:25 PM	2:30 PM	2:35 PM		2:40 PM	2:55 PM
3:25 PM	3:30 PM	3:35 PM		3:40 PM	3:55 PM
4:25 PM	4:30 PM	4:35 PM		4:40 PM	4:55 PM

Catholic Charities	Richmond City Hall	Family Health Ctr / Access Health	Fort Bend County Justice Center	Richmond Walmart	Richmond Target
8:25 AM	8:10 AM	8:05 AM		8:00 AM	7:55 AM
9:25 AM	9:10 AM	9:05 AM		9:00 AM	8:55 AM
10:25 AM	10:10 AM	10:05 AM		10:00 AM	9:55 AM
	11:20 AM		11:05 AM	11:00 AM	10:55 AM
	11:50 AM		11:35 AM		
	12:20 PM		12:05 PM		
	12:50 PM		12:35 PM		
	1:20 PM		1:05 PM		
	1:50 PM		1:35 PM		
2:25 PM	2:10 PM	2:05 PM			
3:25 PM	3:10 PM	3:05 PM		3:00 PM	2:55 PM
4:25 PM	4:10 PM	4:05 PM		4:00 PM	3:55 PM
5:15 PM	5:10 PM	5:05 PM		5:00 PM	4:55 PM

1: Catholic Charities
1111 Collins Rd
Richmond, Tx 77469

2: Richmond City Hall
402 Morton
Richmond, TX 77469

3: Family Health Center / Access Health
400 Austin
Richmond, Tx 77469

4: Ft Bend Co Justice Center
1422 Eugene Heimann Circle
Richmond, Tx 77469

5: Richmond Wal-Mart
5330 FM 1640
Richmond, Tx 77469

6: Target - Brazos Town Center
23912 Commercial Drive
Richmond, Tx 77469

Green Route - Connector

Catholic Charities	Oak Bend Med Center	Fiesta	Rosenberg Post Office	N Rosenberg Ngrbrhd Resource Office
7:15 AM	7:22 AM	7:30 AM	7:35 AM	7:45 AM
8:15 AM	8:22 AM	8:30 AM	8:35 AM	8:45 AM
9:15 AM	9:22 AM	9:30 AM	9:35 AM	9:45 AM
10:15 AM	10:22 AM	10:30 AM	10:35 AM	10:45 AM
11:15 AM	11:22 AM	11:30 AM	11:35 AM	11:45 AM
12:15 PM	12:22 PM	12:30 AM	12:35 PM	12:45 PM
1:15 PM	1:22 PM	1:30 PM	1:35 PM	1:45 PM
2:15 PM	2:22 PM	2:30 PM	2:35 PM	2:45 PM
3:15 PM	3:22 PM	3:30 PM	3:35 PM	3:45 PM
4:15 PM	4:22 PM	4:30 PM	4:35 PM	4:45 PM

1. Catholic Charities
1111 Collins Rd.
Richmond, Tx 77469

2. Oak Bend Medical Center
1705 Jackson St
Richmond, Tx 77469

3. Fiesta
3707 Avenue H
Rosenberg, Tx 77469

4. Rosenberg Post Office
2103 Avenue G
Rosenberg, Tx 77469

5. N Rosenberg Neighborhood Resource Office
503 3rd St
Rosenberg, Tx 77469

N Rosenberg Ngrbrhd Resource Office	Rosenberg Post Office	Fiesta	Oak Bend Med Center	Catholic Charities
7:45 AM	7:47 AM	7:54 AM	8:00 AM	8:15 AM
8:45 AM	8:47 AM	8:54 AM	9:00 AM	9:15 AM
9:45 AM	9:47 AM	9:54 AM	10:00 AM	10:15 AM
10:45 AM	10:47 AM	10:54 AM	11:00 AM	11:15 AM
11:45 AM	11:47 AM	11:54 AM	12:00 PM	12:15 PM
12:45 PM	12:47 PM	12:54 PM	1:00 PM	1:15 PM
1:45 PM	1:47 PM	1:54 PM	2:00 PM	2:15 PM
2:45 PM	2:47 PM	2:54 PM	3:00 PM	3:15 PM
3:45 PM	3:47 PM	3:54 PM	4:00 PM	4:15 PM
4:45 PM	4:47 PM	4:54 PM	5:00 PM	5:06 PM

Purple Route - Rosenberg

Fiesta	Rosenberg Post Office	Rosenberg City Hall	Fairground Park & Ride	Bud O'Shieles Community Center
6:40 AM	6:45 AM	6:50 AM	7:00 AM	
7:20 AM	7:25 AM	7:30 AM	7:40 AM	
8:05 AM	8:10 AM	8:35 AM		
	9:00 AM	9:05 AM	9:10 AM	9:30 AM
9:55 AM	10:00 AM	10:25 AM		
	10:45 AM	10:50 AM	11:05 AM	
11:25 AM	11:30 AM	11:55 AM		
	12:10 PM	12:15 PM	12:23 PM	12:30 PM
12:55 PM	1:00 PM	1:15 PM		
	1:35 PM	1:40 PM	1:50 PM	
2:10 PM	2:15 PM	2:40 PM		
2:55 PM	3:00 PM	3:25 PM		
3:40 PM	3:45 PM	4:10 PM		
	4:30 PM	4:35 PM	4:43 PM	

Bud O'Shieles Community Center	Fairground Park & Ride	Rosenberg City Hall	Rosenberg Post Office	Fiesta
	7:00 AM	7:08 AM	7:13 AM	7:20 AM
	7:40 AM	7:48 AM	7:53 AM	8:05 AM
		8:35 AM	9:00 AM	
9:30 AM	9:33 AM	9:38 AM	9:43 AM	9:55 AM
		10:25 AM	10:45 AM	
	11:05 AM	11:13 AM	11:18 AM	11:25 AM
		11:55 AM	12:10 PM	
12:30 PM	12:33 PM	12:41 PM	12:46 PM	12:55 PM
		1:15 PM	1:35 PM	
	1:50 PM	1:58 PM	2:03 PM	2:10 PM
		2:40 PM	2:45 PM	2:55 PM
		3:25 PM	3:30 PM	3:40 PM
		4:10 PM	4:30 PM	
	4:43 PM	4:50 PM	4:55 PM	5:00 PM

1. Fiesta

3707 Avenue H
Rosenberg, Tx 77471

2. Rosenberg Post Office

Avenue G @4th St.
Rosenberg, Tx 77471

3. Rosenberg City Hall

2110 4th St.
Rosenberg, Tx 77471

4. Fairgrounds Park & Ride

State Hwy 36 @ U.S. 59,
Rosenberg, Tx 77471

5. Bud O'Shieles Community Center

1330 Band Rd
Rosenberg, Tx 77471



COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
4	Rosenberg Multimodal Hub Study
ITEM/MOTION	
Review and discuss potential Rosenberg Multimodal Hub Study, and take action as necessary.	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

A handwritten signature in black ink, appearing to read "R. Malik".

Randall Malik
RDC Executive Director

1. Presentation of Highway 36A Development Corridor – Feasibility Study

EXECUTIVE SUMMARY

The Port of Freeport, Fort Bend County and Brazoria County have recently partnered on a study assessing the feasibility of developing a new rail connection from Port Freeport along the State Highway 36A Corridor to serve the inland markets of Texas and Middle America. One of the primary findings of the study was identifying Rosenberg as an ideal location for a multimodal hub.

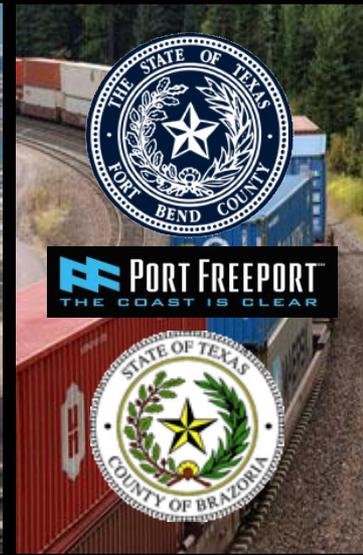
The author of the study, Dr. Alexander Medcalf, has indicated an interest on conducting a Rosenberg Multimodal Hub Study. The purpose of the study would be to build upon the results of the initial SH 36A Rail Development Study and begin to identify the steps necessary to implement the Rosenberg Multimodal Hub.

This agenda item provides the board the opportunity to discuss if they would be interested in pursuing the feasibility of a multimodal hub study.

PRESENTATION TO:

FORT BEND COUNTY, PORT FREEPORT, BRAZORIA COUNTY, TEXAS

**SH 36A DEVELOPMENT CORRIDOR
FEASIBILITY STUDY
FINAL PRESENTATION**



Presentation By

TEMS

Transportation Economics & Management Systems, Inc.

OCTOBER 27, 2015



FREEMPORT'S MARKET OPPORTUNITY

BACKGROUND ON THE PROJECT



- Texas GDP has been growing by 7 percent each year
- Texas added 1.3 million people from 2010 to 2013
- Population to grow from 26 million today to 40 million by 2050.



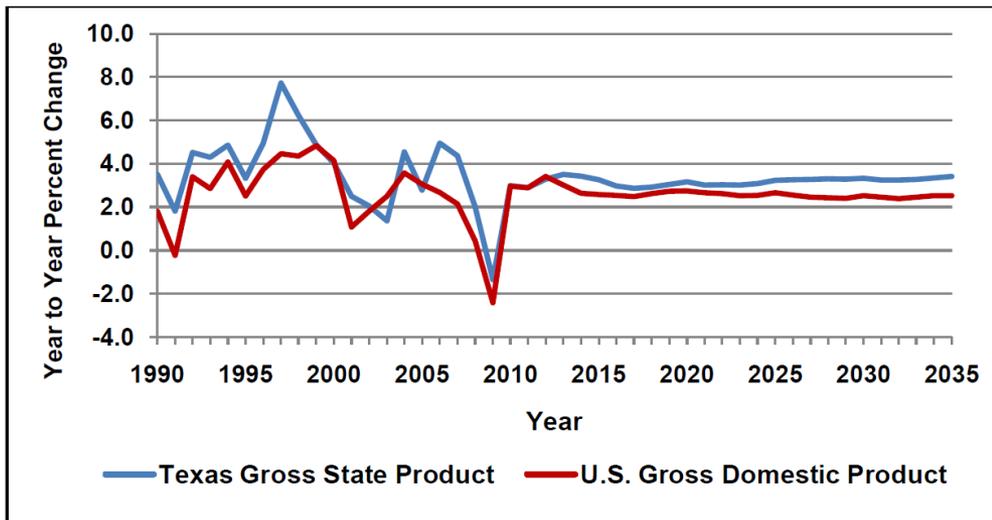
Texas Transportation System needs increase efficiency and capacity to meet future needs.

MINIMAL CHANGE IN GROWTH FROM PREVIOUS STUDY ASSUMPTION



Historically, Texas GDP growth rate has been significantly higher than US growth Rate. “Forecasts from the Texas Comptroller of Public Accounts predict that the U.S. and Texas economies will rebound from the current recession (in terms of GSP and GDP), and grow at 2.6 percent and 3.37 percent, respectively, on average, per year between 2010 and 2035 (Figure 2-1).⁷ An efficient and well-maintained transportation system is vital to the state’s ability to remain economically competitive at home and abroad.”

Figure 2-1: Comparative Annual Economic Growth, 1990 to 2035



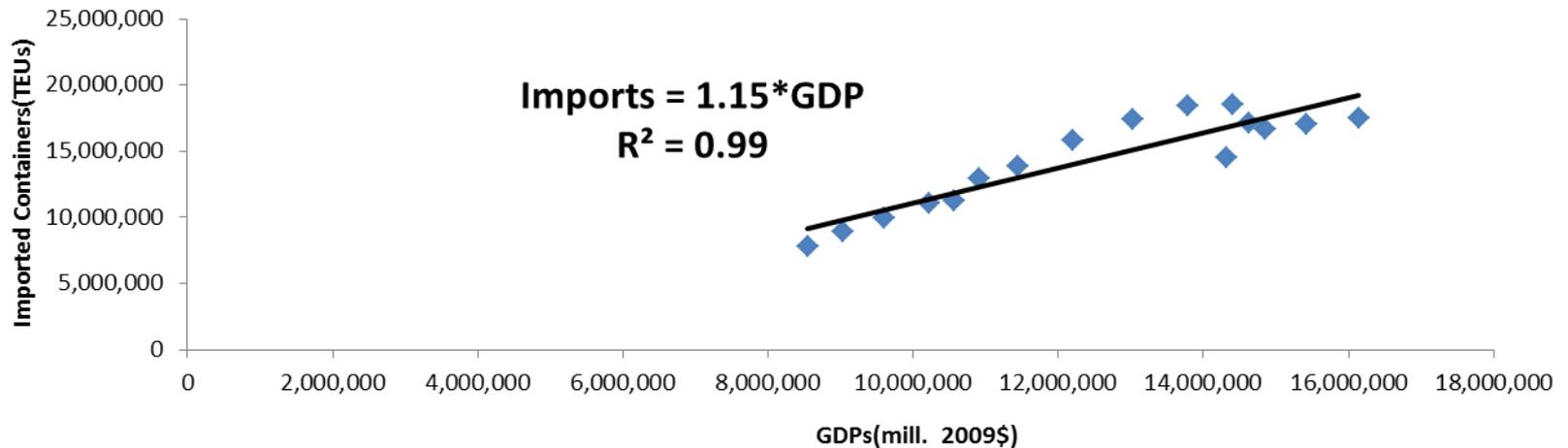
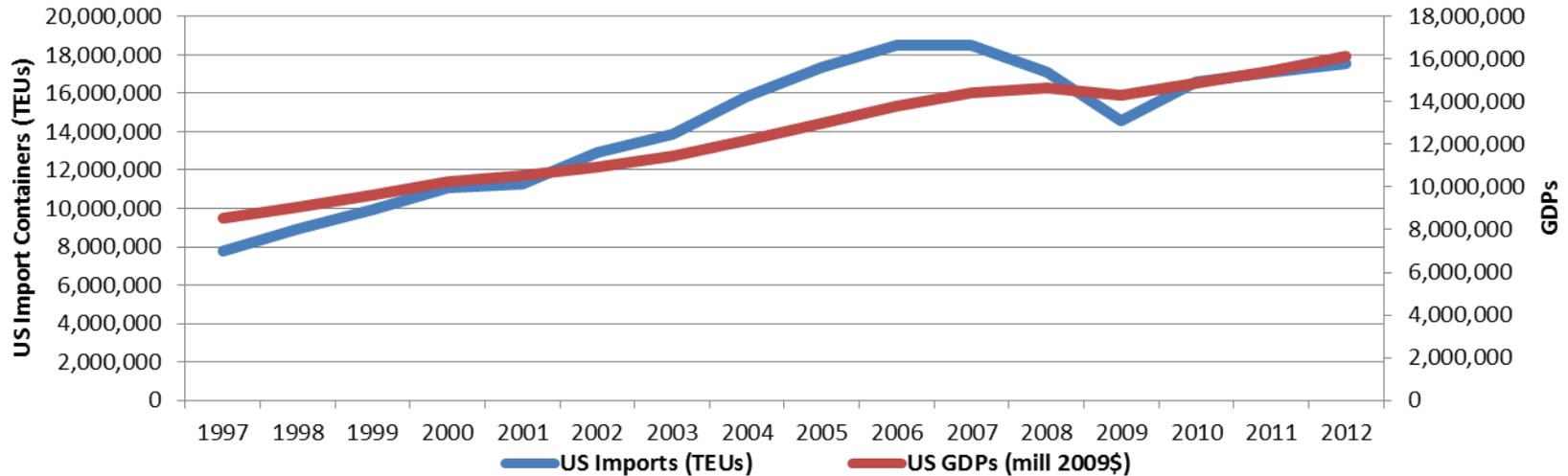
* Source: Texas Statewide Long-Range Transportation Plan 2035 at:
http://ftp.dot.state.tx.us/pub/txdot-info/tpp/rural_2035/report/slrtp_final_ch2.pdf

The Texas Comptroller Forecast is in **REAL DOLLARS**

Adding a 2% annual inflation gets us right back into the 5+% range.

Average growth rate will be 5.4% (NOMINAL DOLLARS) for the Texas market area

CONTAINER IMPORTS VS NOMINAL GDP - NATIONAL TREND

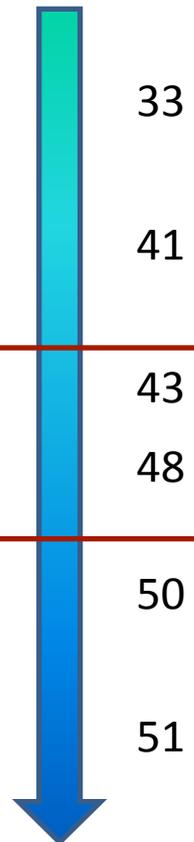
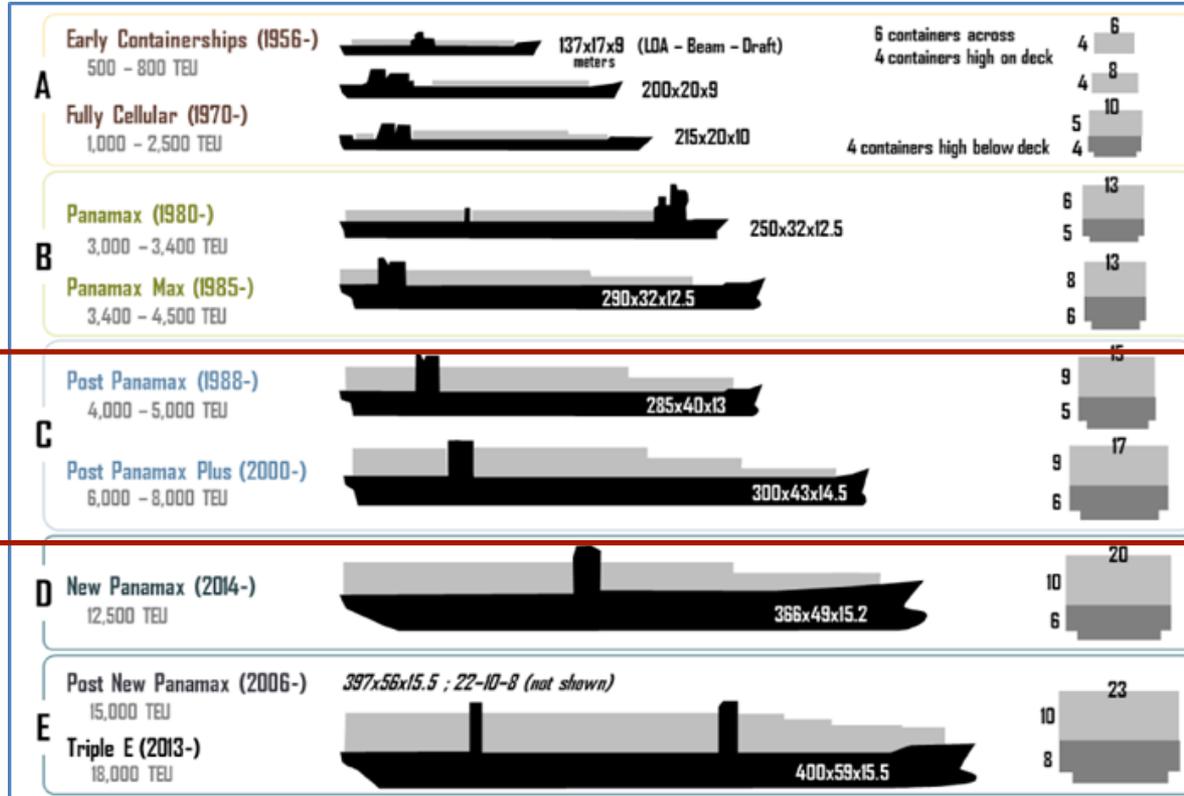


Imports are closely related to GDP nominal, which is used to forecast imports in the future. Growth rate has been moderated by recent recession.

SHIP SIZE AND REQUIRED DEPTH

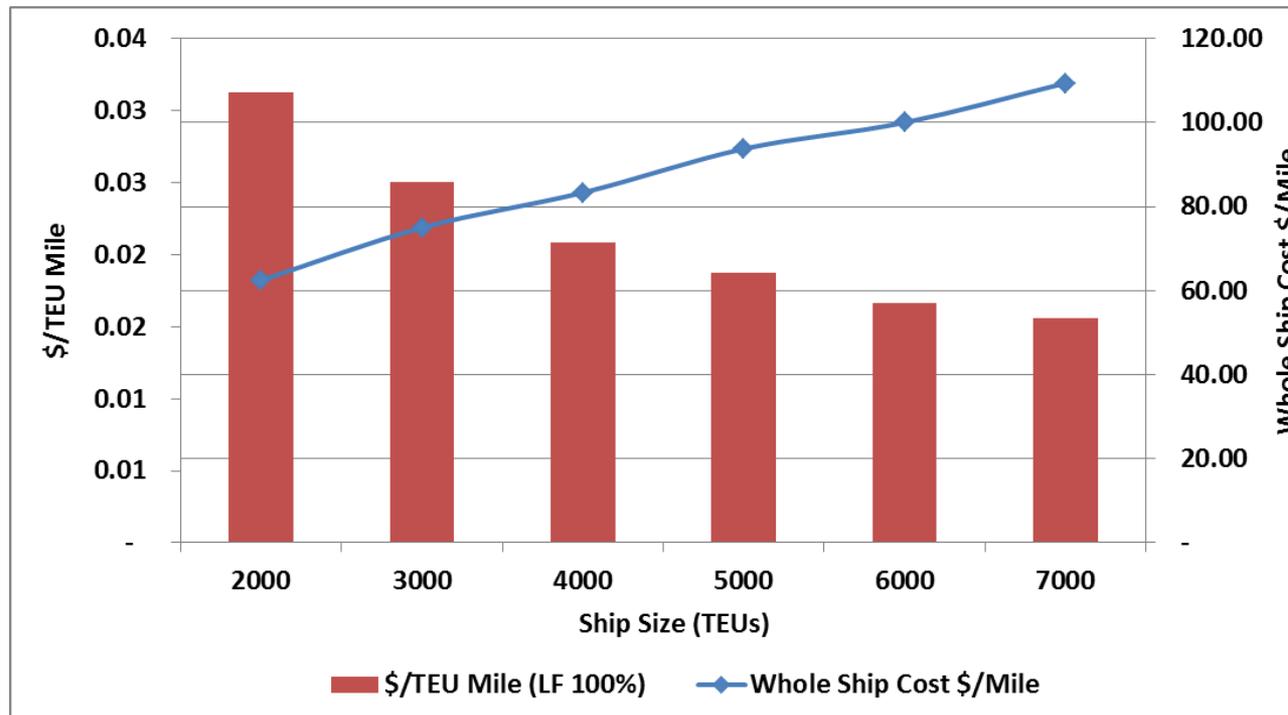


Water Depth(ft)



Capacity of New Panamax ship will increase 2-3 times, but requires 48-51 feet draft. Only a few Gulf and East Coast ports can support this, but in the long term Freeport will be able to accommodate these larger ships.

ECONOMIES OF SCALE FOR BIGGER SHIPS



Source: Reproduced based on Figure 4.3 Impacts of Containership Size, Service Routes, and Demand On Texas Gulf Ports , TXDOT, 2001

- 2015 Shipping cost will decrease from \$0.04/TEU·Mile to \$0.02/TEU·Mile (70% loading factor and inflation since 2001).
- **This cuts shipping line-haul costs in half.**
- East Coast Ports are expanding their capabilities, so Big Ships will be used in both Pacific and Atlantic (e.g. Suez) trade lanes.

PANAMA CANAL STRATEGY



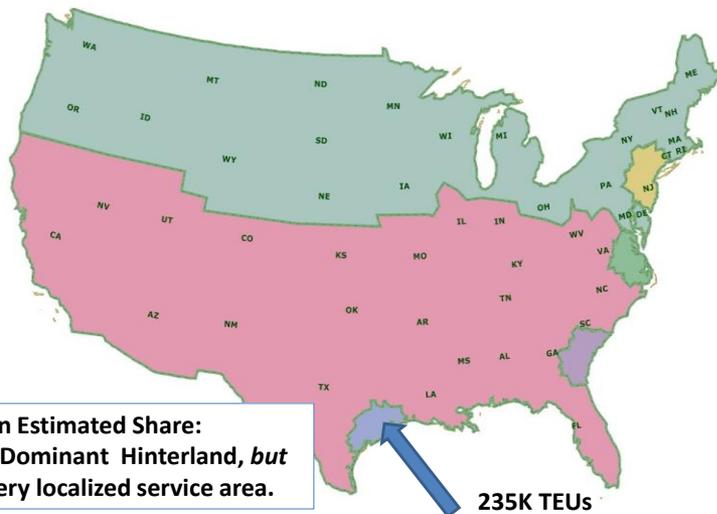
“BUILD” A NEW PORT IN TEXAS: FREEPORT

- Freeport can be fully developed as a container terminal that can handle big ships (56 ft.) Houston however remains at 45’ channel.
- Effective intermodal links will be needed (rail links and inland ports) for Freeport to serve the key market areas of Dallas, Fort Worth, San Antonio and beyond.
- Intermodal linkages such as a Container on Barge/COB service are proposed, but not required to maintain connectivity between Freeport and the traditional Houston Ship Channel area, since the ocean cost savings are sufficient to support even high cost trucking from Freeport to Houston Ship Channel area.

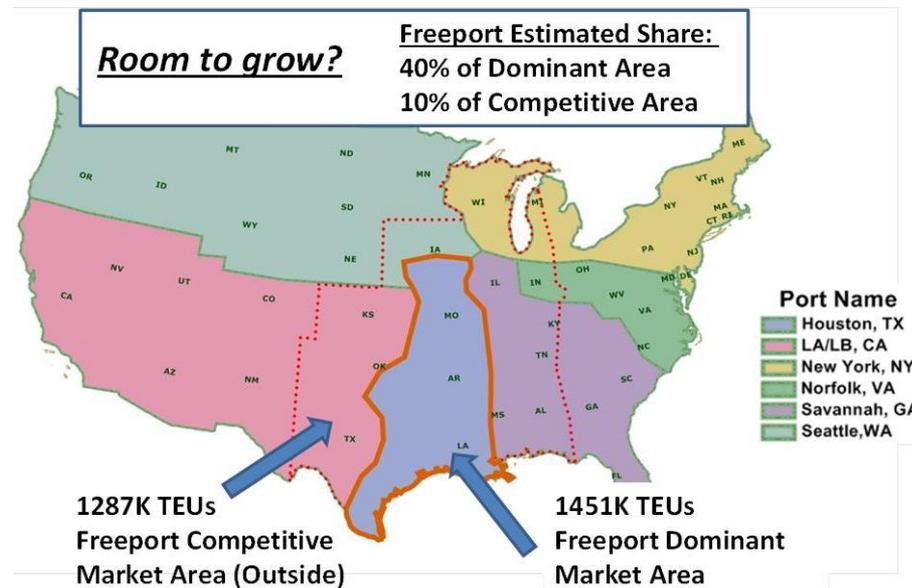
BIGGER SHIPS EXPAND FREEPORT'S NATURAL HINTERLAND FOR ASIA AND EUROPEAN TRAFFIC



Asia Port Hinterlands Today



After Panama Canal Expansion

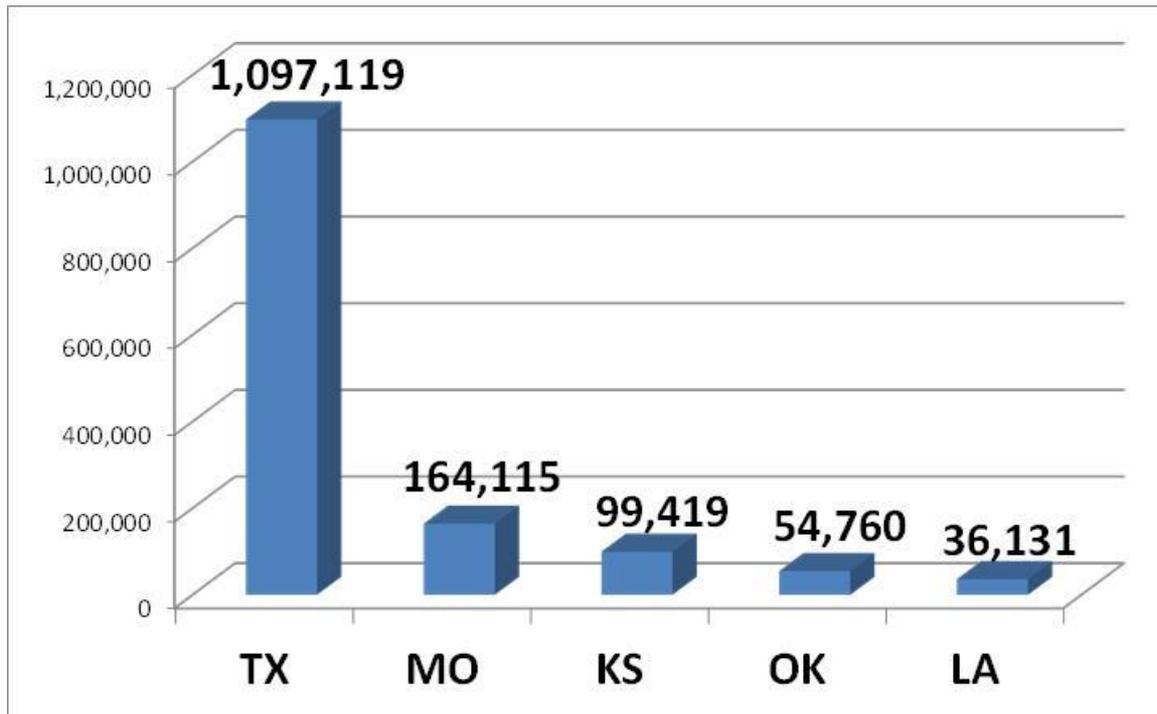


Currently, there is a strong West Coast advantage with small ships, but Houston fares no worse than Eastern Ports. Big ships cut line-haul costs in half, resulting in a huge (7X) increase in potential Freeport Hinterland Total Market TEUs

THE ASIA MARKET WITHIN THE FREEPORT SERVICE AREA IS HEAVILY SKEWED TOWARDS TEXAS (PARTICULARLY DFW)

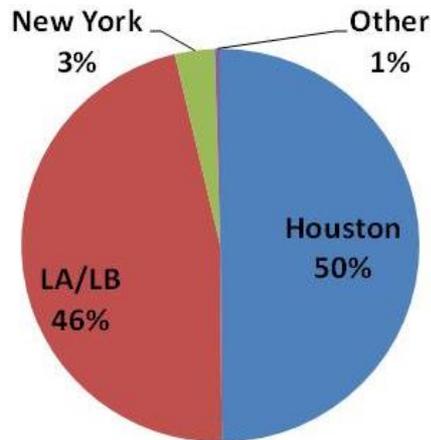


ASIA 2014 TEU DISTRIBUTION WITHIN THE DOMINANT MARKET AREA

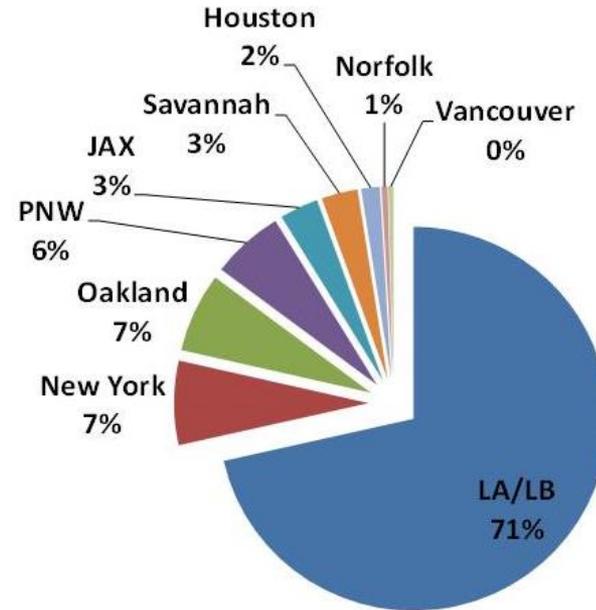


This Supports an Increase in the Freeport Modal Share Projection

CURRENTLY HOUSTON'S SHARE IS 22% OF TEXAS MARKET



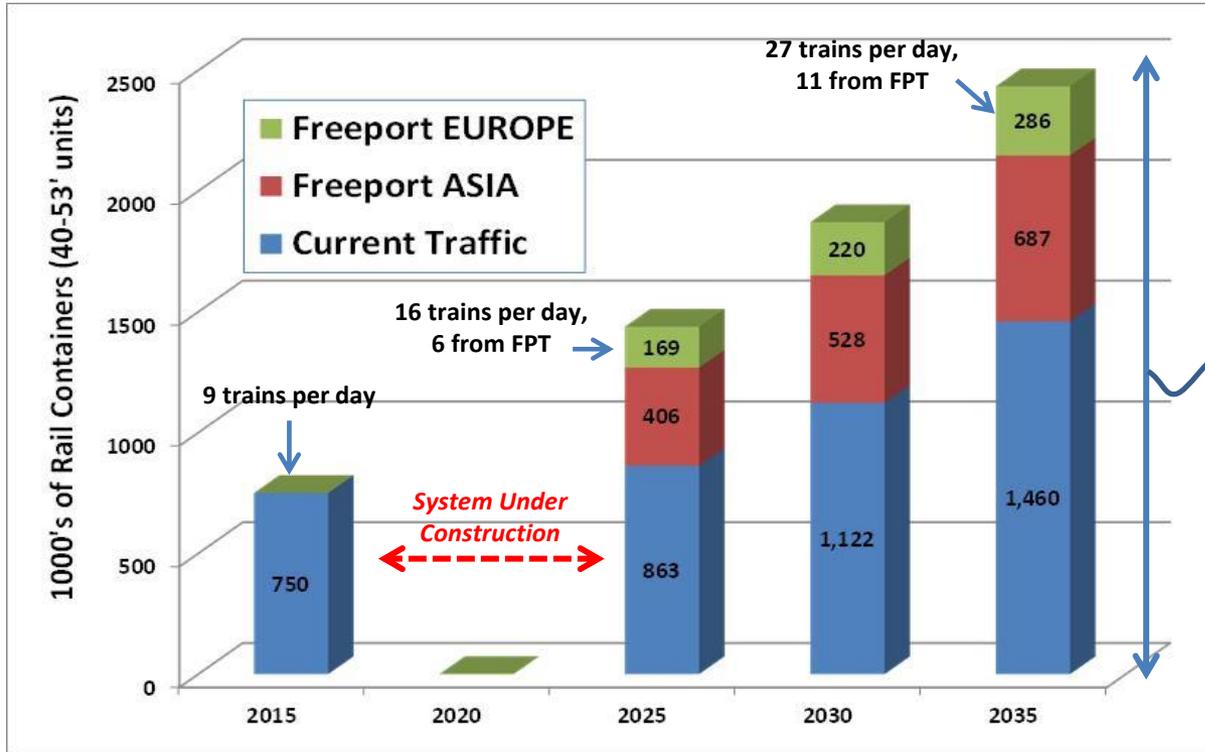
HOUSTON



DALLAS-FORT WORTH

This results from the economics of small ships, where small vessels currently hold more than 50% market share vs. the West Coast in Houston. Houston currently has only a negligible share of DFW market, but Texas ports share will increase with large ships provided they have effective access to the DFW market.

RAIL CONTAINER FORECAST FOR DFW MARKET WITH PORT FREEPORT AND BIG SHIPS



With Large-Vessel economics and a rail connection, Freeport can compete at DFW.

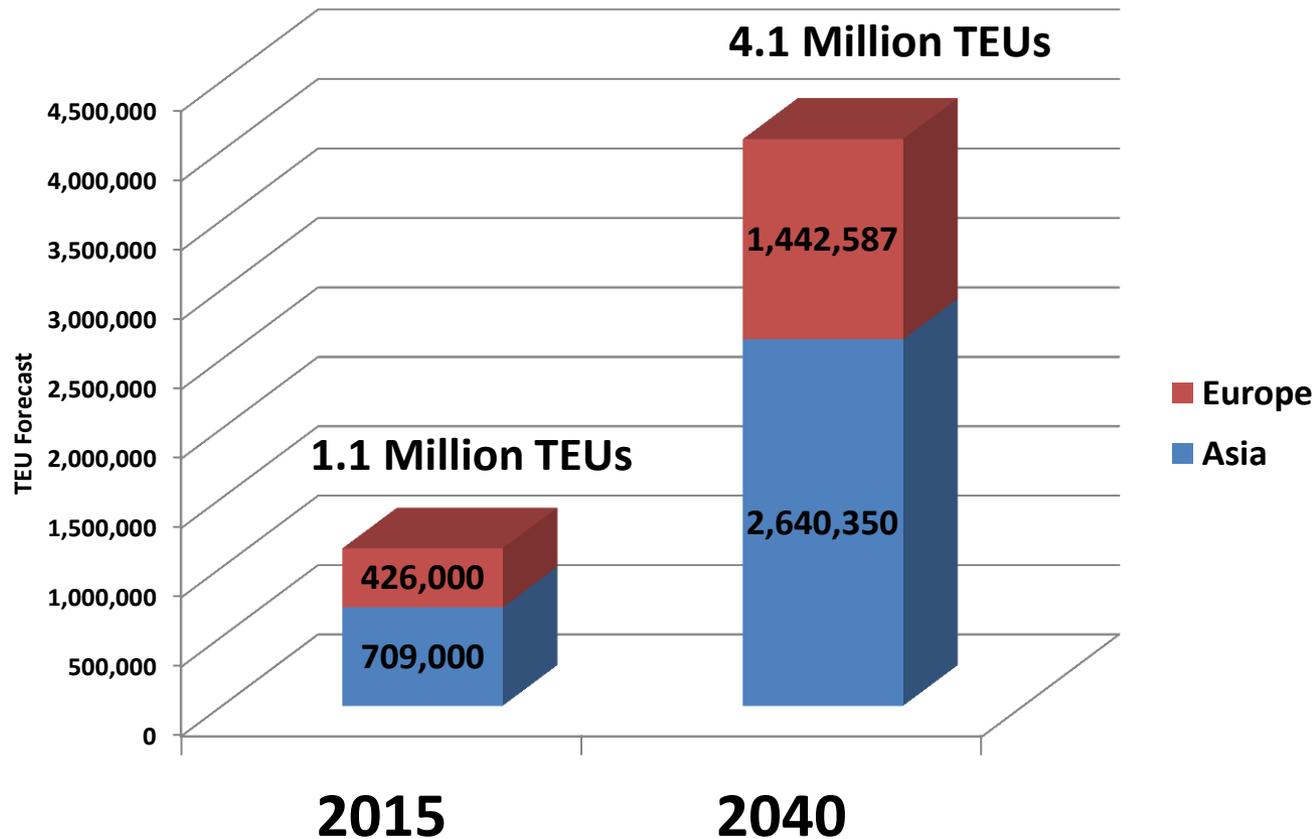
A forecasted more than tripling of rail intermodal demand by 2035 will put considerable pressure on both rail line and terminal capacity in Texas



Notes:

1. Estimate approx. 750,000 containers total IMX market in and out of DFW today.
2. Freeport will come online between 2020 and 2025. By 2025 fully operational.
3. Freeport would add rail European boxes that are currently trucked which results in an immediate boost in rail traffic

OVERALL FREEPORT CONTAINER MARKET FORECAST*

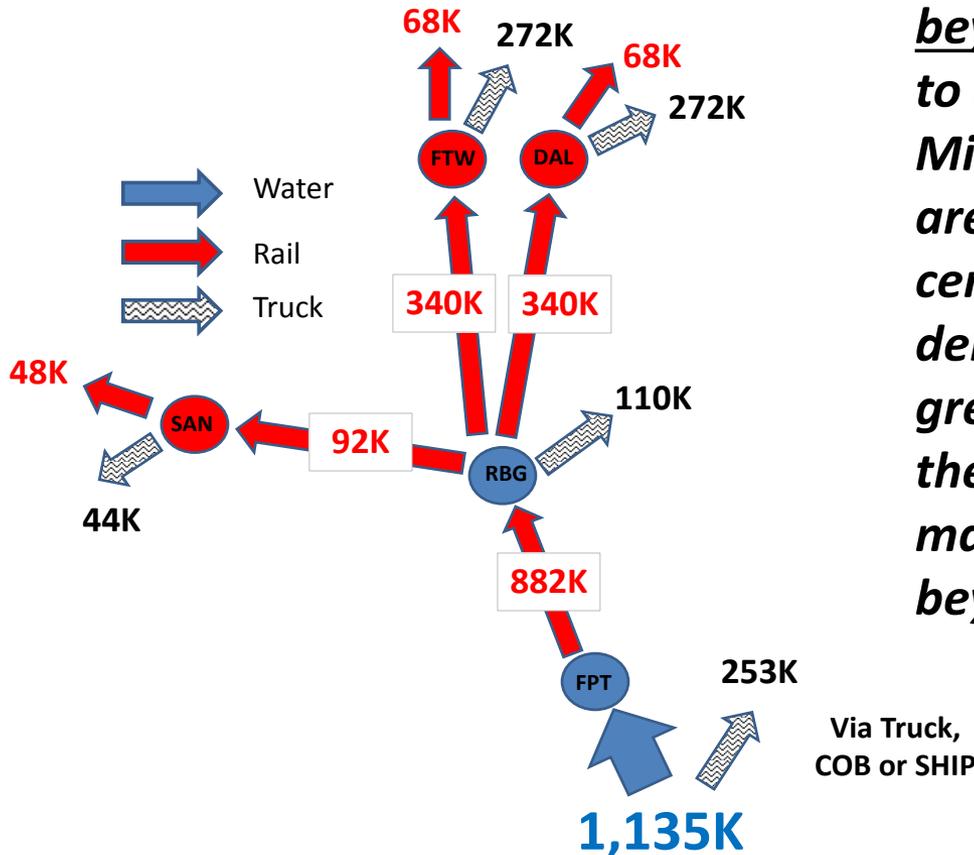


* There are an additional 60k South American and Caribbean containers at Freeport (Great White Fleet) and 185K more at Houston, not included in the above totals.

PROPOSED INLAND PORT OPERATIONS



2015 DETAIL



Dallas/Fort Worth logistics centers serve an extended market area even beyond Texas extending all the way to Kansas, Missouri and the Mississippi River. Ocean containers are brought by rail into these logistics centers and repacked for final delivery by truck. PIERS data shows a great deal of market concentration at the Houston and DFW hubs and not many ocean containers moving far beyond the metropolitan areas.



THE PROJECT AS ENVISIONED

FOUR KEY PROJECT COMPONENTS

FEASIBILITY



– Port Freeport

- *Provide an Ocean Interface with >50 feet channel depth for Big Ships.*
- *Major concentration will likely be on lower valued, bulky or heavy containerized goods.*
- *Truck or COB connections into the local Houston market; rail beyond Houston.*

*Focus of
this study*



– Improved Rail Connection to Rosenberg and Caldwell

- *To attract shippers to Freeport as a major container port requires the port to be served by at least two rail carriers*
- *Rail link would provide competitive rail access from Freeport to Dallas/Fort Worth and Beyond*

– Dallas, Fort Worth, San Antonio Rail Inland Ports

- *Provide effective rail connections to high-volume Texas markets that are beyond the range of cost effective trucking from Freeport.*
- *Offer rail connectivity to northern and eastern major Gateway cities as well*
- *Operations of the Inland Ports will be coordinated with the main port so container stacking and storage can be optimized, maximize the percentage of traffic that can be “Live Loaded” at Port Freeport, as well as seamlessly integrate Freeport’s traffic into the national rail network.*

– Rosenberg Integrated Hub

- *Relieve congestion and capacity constraints at the downtown Houston rail ramps.*
- *Maintain competitive rail connections to West Coast for high valued containerized goods*
- *Offer rail connectivity to northern and eastern major Gateway cities as well*
- *Anchor a substantial base of distribution warehousing and logistics support*



03 Cargo Storage Requirements

▪ Port Freeport is rapidly approaching the capacity of existing marine terminal space.

▪ Area requirements of Current/Potential Business Lines:

▪ Dole	14 acres
▪ Chiquita/MSC	20 acres
▪ Mammoet	20 acres
▪ Vulcan	5 acres
▪ Hoegh	35 acres
▪ Other OEM (Hoegh)	150 acres
▪ Tenaris	40 acres
▪ CNG	5 acres

Total Area Required ~ 289 acres

The space to handle these cargo requirements is NOT AVAILABLE on current footprint.

▪ Solutions to storage space constraint includes:

▪ Development of Near Terminal Multimodal Logistics Center (Parcels 14 and 19 see page XX).

▪ Improve existing terminal operating efficiency by more effectively. This should immediately start to be planned and implemented for the Dole and Chiquita yards, by relocating same behind Berths 7/8.

- *There's plenty of Land in and near the Port Complex. . . But not much room dockside!*
- *There are many potential competing uses for dockside space:*
 - *Container Yard*
 - *Bulk*
 - *Ro/Ro Auto Facility*
 - *Teneris Steel*
 - *Warehousing, Cross Docking and Logistics*
- *It was suggested to consider development of a rail ICTF away from the congested dockside area where more land would be available to permit a highly efficient layout*

STARTING POINT FOR THE ROUTE: NORTH RIVER ICTF



- **North River ICTF site has ample land and would be linked by a dedicated drayage road.**
- **Currently, SH36 has a very lightly-used 4-lane bridge over the Brazos River connecting on both ends to a 2-lane highway facility. It is assumed that the existing northbound lanes would be repurposed to serve the port drayage. The existing southbound lanes should suffice for a 2-way public SH36 highway.**

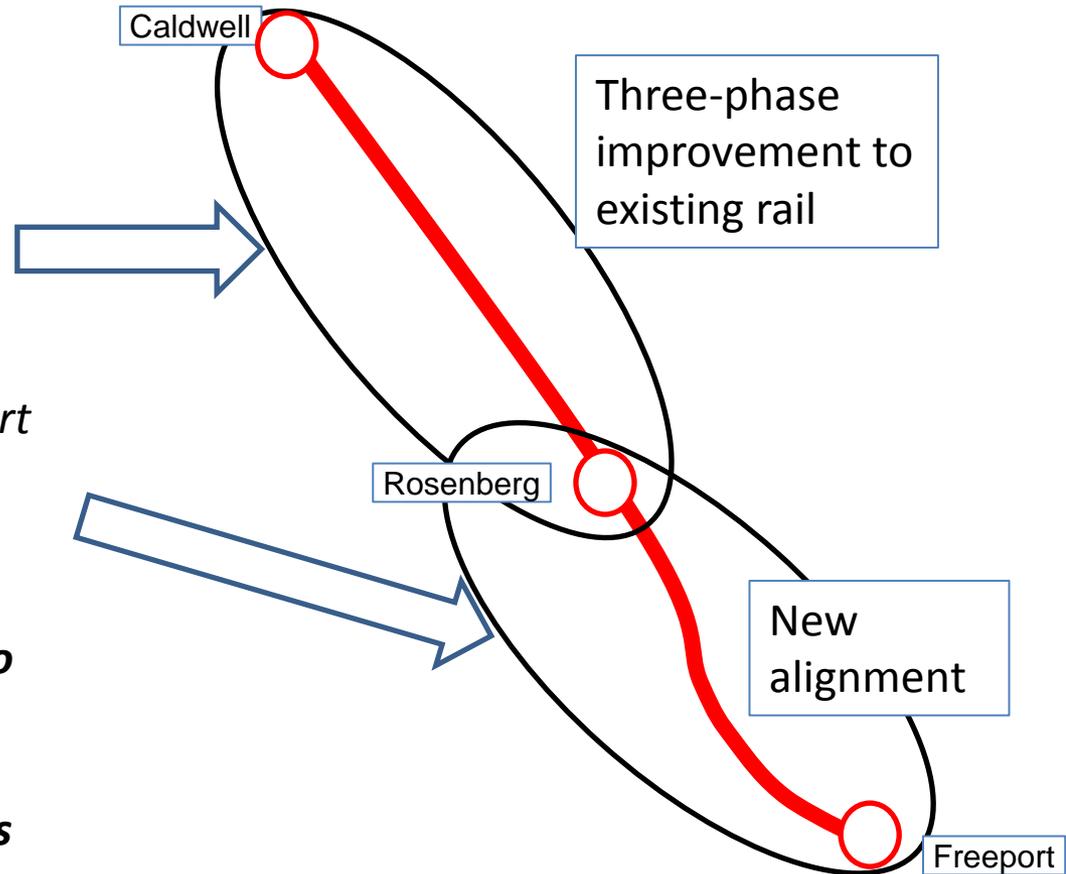
PROPOSED SH 36A RAIL CORRIDOR

FEASIBILITY

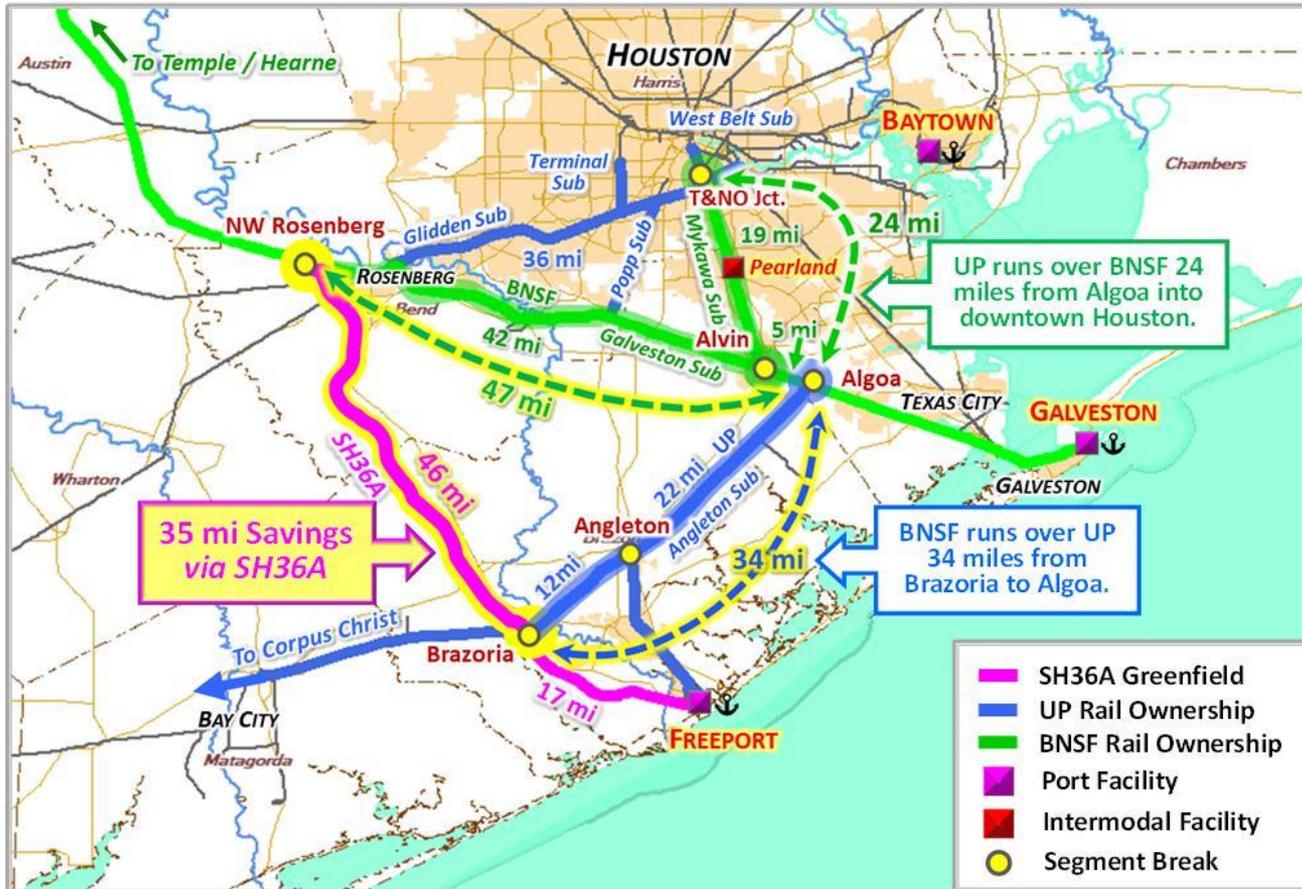


The proposed rail corridor includes:

- **A shared and upgraded existing rail segment**
Rosenberg to Caldwell where UP trains would diverge to Hearne.
- **A greenfield segment** Freeport to Rosenberg eliminates 35 mile “dog leg” via Algoa.
- **This provides dual access to the Port of Freeport, and also an effective bypass of the Houston area for both the BNSF and UP railroads that is shorter than UP’s existing route through the city.**



NEW ROUTE IS 35 MILES SHORTER AND REDUCES THE NEED FOR TRACKAGE RIGHTS



CURRENT SCENARIO:

Each railroad must pay the other for every train they run, but railroads don't like making payments to direct competitors

Railroads don't like making investments in their own lines that benefit direct competitors without cost sharing

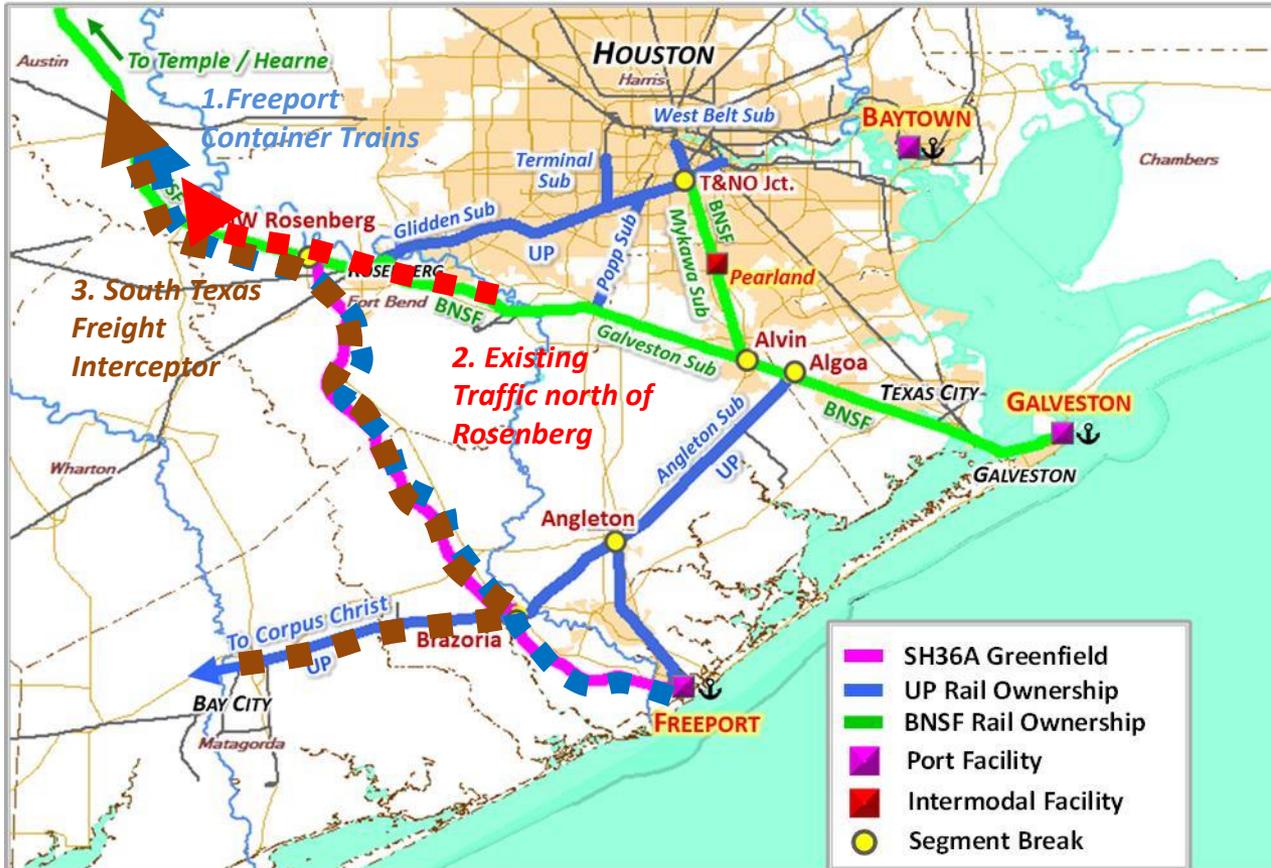
Railroads don't like investing in competitor's rail lines

The current institutional structure of rail ownership in South Texas creates disincentives to private investment

PROPOSED SCENARIO:

With development of Port Freeport, efficiency can be improved by development of a new direct route from Freeport to Rosenberg to Caldwell. The project would be developed as a PPP by the Brazoria Fort Bend Rail District

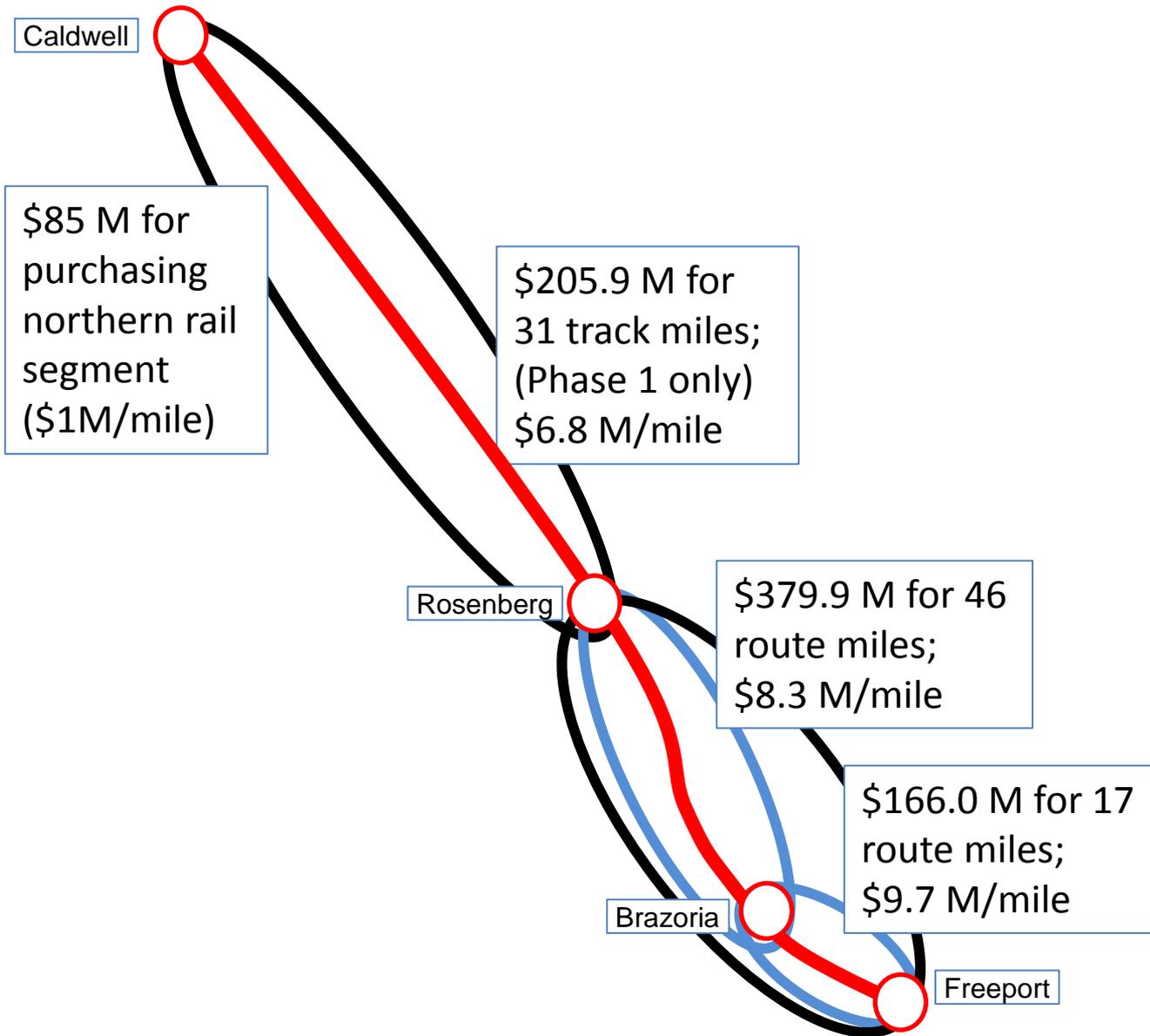
RAIL TRAFFIC THAT COULD USE THE NEW CORRIDOR



1. **Freeport Container Trains from the new ICTF**
2. **Existing BNSF and UP traffic between Rosenberg and Caldwell**
3. **South Texas Freight (both intermodal and carload) short cut to Temple and Hearne***

** Not included in current financial assumptions*

COST BREAKDOWN

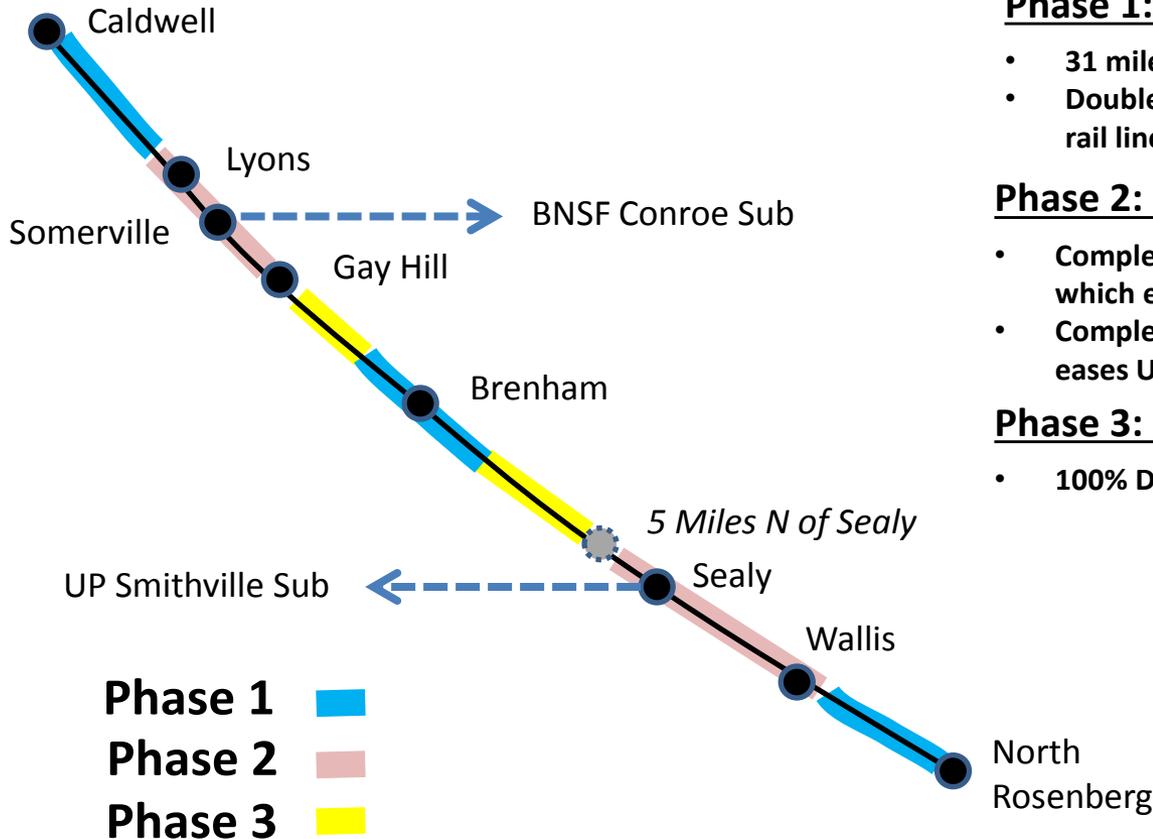


ROSENBERG TO CALDWELL

FEASIBILITY



3-Phase Implementation of Proposed Caldwell to Rosenberg Double Track



Phase 1: 31 miles of Double Track

- 31 miles of double track at ends and in the middle
- Double track at the end to buffer connections to other rail lines

Phase 2: 20 add'l miles of Double Track

- Complete double track from Caldwell to Somerville which eases BNSF access to Conroe Sub
- Complete double track from Rosenberg to Sealy, which eases UP access to Smithville Sub

Phase 3: Fill in all Remaining Gaps

- 100% Double-Track from Rosenberg to Caldwell

R2C2 COST COMPARISON



– Colorado Rail Relocation Implementation Study (R2C2)

- R2C2 2008 Unit Costs approved by BNSF and UP; adjusted for inflation
 - R2C2 - \$7.2 Million per mile in 2015 dollars
 - Port Freeport to Rosenberg - \$8.7 Million per mile in 2015 dollars
- Key comparisons:
 - Higher land and utility relocation costs
 - Lower grading and signal system costs

36A RAIL CONCEPTUAL LEVEL RAILROAD CONSTRUCTION COST: PORT FREEPORT TO ROSENBERG (63 MILES)				R2C2 ALIGNMENT B (180 MILES)		
COST CATEGORY		TOTAL COST	PRICE PER MILE (2015 \$)	TOTAL COST (2008 \$)	PRICE PER MILE	
					(2008 \$)	(2015 \$)
1	RIGHT OF WAY	\$ 18,500,000	\$ 290,000	\$ 12,000,000	\$ 70,000	\$ 76,000
2	GRADING	\$ 99,400,700	\$ 1,580,000	\$ 317,000,000	\$ 1,760,000	\$ 1,910,000
3	UTILITIES/GRADE SEPARATIONS	\$ 91,700,000	\$ 1,460,000	\$ 60,000,000	\$ 330,000	\$ 358,000
4	RAIL CROSSINGS/DRAINAGE STRUCTURES	\$ 37,300,000	\$ 590,000	\$ 31,000,000	\$ 170,000	\$ 184,000
5	TRACKWORK	\$ 76,001,600	\$ 1,210,000	\$ 232,000,000	\$ 1,290,000	\$ 1,400,000
6	FENCES AND SIGNS	\$ 3,000,000	\$ 50,000	\$ 10,000,000	\$ 60,000	\$ 65,000
7	SIGNAL AND COMMUNICATIONS	\$ 29,500,000	\$ 470,000	\$ 123,000,000	\$ 680,000	\$ 738,000
8	AT-GRADE CROSSINGS	\$ 5,900,000	\$ 90,000	\$ 7,000,000	\$ 40,000	\$ 43,000
9	OTHER COST ITEMS	\$ 184,600,000	\$ 2,930,000	\$ 396,000,000	\$ 2,200,000	\$ 2,387,000
TOTAL:		\$ 545,902,300	\$ 8,670,000	\$ 1,188,000,000	\$ 6,600,000	\$ 7,162,000.00

2008 to 2015
Adjustment for R2C2 Costs 8.51%

CONTEXT FOR RAIL INTEGRATION

FEASIBILITY



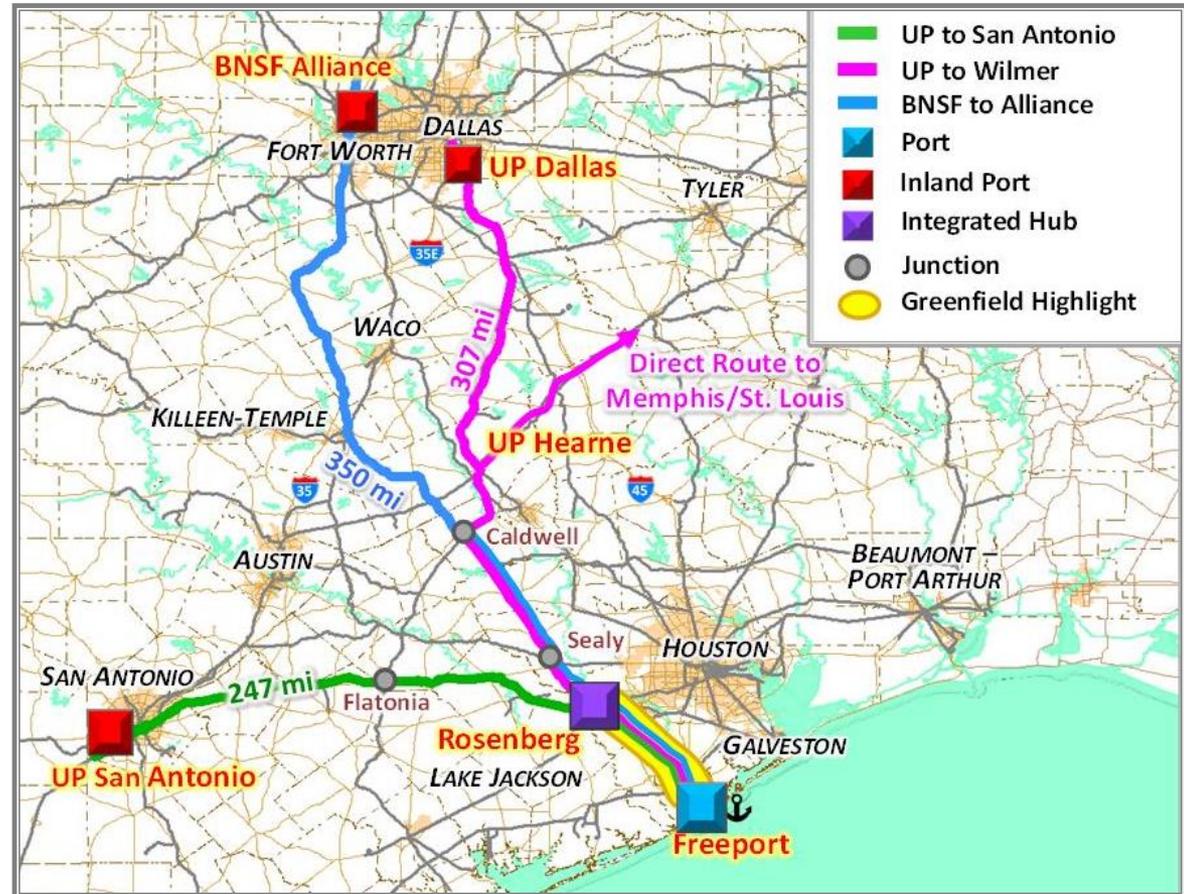
Concept Study envisioned

– Rail Inland Ports at:

- Dallas
- Fort Worth
- San Antonio

– Integrated Hub at:

- Rosenberg

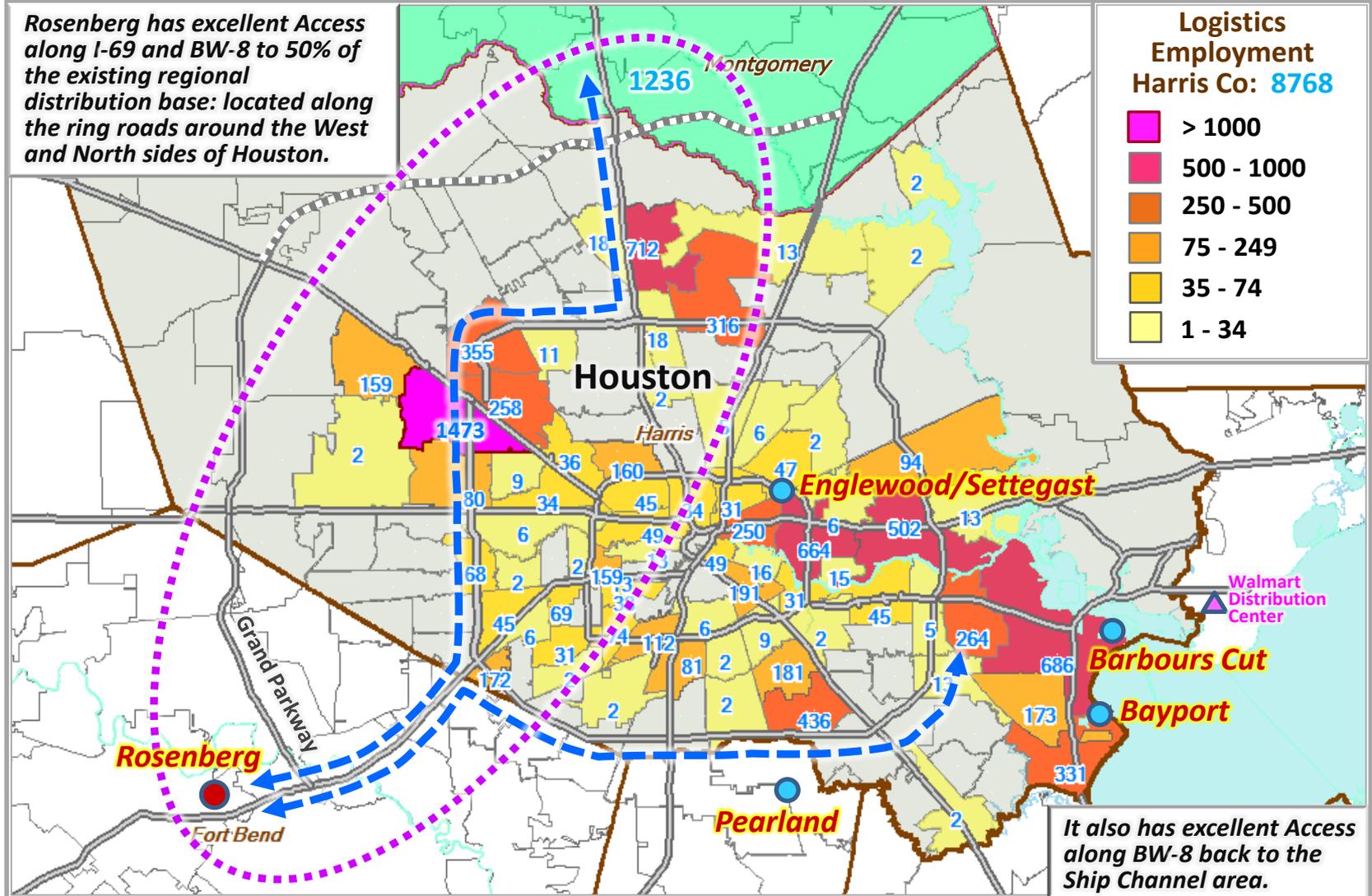


THE CASE FOR ROSENBERG DISTRIBUTION

FEASIBILITY



Rosenberg has excellent Access along I-69 and BW-8 to 50% of the existing regional distribution base: located along the ring roads around the West and North sides of Houston.



A ROSENBERG INTEGRATED HUB OFFERS

FEASIBILITY



– ***Excellent Access to Existing Logistics Areas***

- *Easy access to existing logistics areas along ring roads – developing centers in Fort Bend County, as well as north and west of Houston, and even back to the Ship Channel area using the Sam Houston Tollway.*
- *SH 36A Highway would enhance access Port Freeport to Rosenberg to DFW supporting flow reversal, which would result in a better fronthaul/backhaul lane balance for the trucking companies*

– ***Room to Grow***

- *Plenty of developable land in close proximity to major markets.*
- *Use of Rosenberg Ramp would reduce rail and highway congestion in downtown Houston. It reduces train count in the rail terminal and keeps drayage trucks off congested urban highways*

– ***Rail Integration both West and East***

- *Three Class I Railroads: UP, BNSF and KCS offer convenient access to West Coast Ports and Mexico via existing rail lines, for supporting both international and domestic freight movements*
- *New Freeport Rail Corridor (under development) will add a congestion free rail link avoiding Houston providing a “Short Cut” to eastern gateways of Memphis, St. Louis, Kansas City, Chicago and Canada*

– ***Port Integration***

- *Although development of Port Freeport is separate from the Rosenberg Integrated Hub and each project has Independent Utility, the coordinated development of both projects together would be economically synergistic and mutually supportive.*
- *Integrating Port Freeport container traffic into the UP rail network at Rosenberg could help support the volume requirements for running full trains from Rosenberg to Los Angeles, El Paso, San Antonio, Chicago, St Louis, Memphis and other potential destinations.*

EXAMPLE: CSX WINTER HAVEN FACILITY

FEASIBILITY



- **318 Acres rail facility, surrounded by 930 acres reserved for development of up to 7.9 million square feet of warehouse distribution centers**
- **Projected at full build-out, the Winter Haven ILC will create 8,500 annual jobs with a total annual payroll of \$282.2 million.**



References:

- http://railtec.illinois.edu/RREC/presentations/A/04/19_Brinker.pdf
- <http://www.bizjournals.com/tampabay/news/2014/07/29/csx-intermodal-facility-in-winter-haven-getting.html>
- <http://www.myfoxtampabay.com/story/26807665/2014/10/16/csx-hub-in-winter-haven-expected-to-boost-local-economy>
- <http://www.flgov.com/2012/11/08/governor-scott-breaks-ground-on-winter-haven-intermodal-rail-terminal/>
- <http://www.railwayage.com/index.php/intermodal/csx-winter-haven-intermodal-terminal-up-and-running.html>
- http://www.tbrta.com/tbaq-issues/tbaq-2008-10_csx-winter-haven.pdf



BENEFITS, FINANCING AND INSTITUTIONAL FRAMEWORK

KEY REQUIREMENTS FOR SH 36A RAIL

FEASIBILITY



To attract shippers to Freeport as a major container port requires the port to be served by at least two rail carriers.

It is proposed to develop an efficient rail freight route that bypasses downtown Houston on the west side, reducing rail and highway traffic congestion in Houston. To accomplish this:

- 1. A new greenfield freight rail alignment would be built from Port Freeport to North Rosenberg via Brazoria.***
- 2. The existing BNSF Galveston Subdivision would be upgraded from North Rosenberg to Caldwell. Enough capacity would be added to handle forecasted rail volumes north from Port Freeport to Rosenberg to Caldwell.***
- 3. For the rail connection, and effective, self financing PPP framework would be developed for funding needed rail capacity investments at attractive interest rates.***
- 4. One option is for the Brazoria Fort Bend Rail District to create a neutral operating authority (like ACTA in Los Angeles) to own and maintain the corridor, and ensure equitable access for the railroads at economical fees.***

KEY FINANCIAL ASSUMPTIONS



- *Utilize public financing at low interest rates to develop needed and agreed upon capacity and safety improvements*
- *Purchase any needed ROW and tracks at fair market value. Either purchase corridors up front with cash or else remit usage fees to the selling railroad over time.*
- *Use container fees to cover operating expenses, cyclic capital needs, capacity expansions and repay debt service so the system is financially self-supporting*
- *Set access fees at minimum compensatory levels to incentivize maximum use of the bypass rail corridor, where possible relieving congestion in downtown Houston*

PROPOSED FINANCIAL FRAMEWORK FOR BRAZORIA FORT BEND RAIL DISTRICT

FEASIBILITY



Modeled after Alameda Corridor (ACTA) PPP. A two-tiered pricing strategy is proposed for the Freeport Rail Corridor. Current pricing targets are:

- ***An affordable price for Container traffic to/from Freeport (20-30¢ per TEU-mile)***
- ***An even lower price for carload and non port related traffic (35-45¢ per Car-mile)***

ACTA Rate History

	Loaded WB Per TEU	Empty or NWB Per TEU	Other Railcar	CPI Increase %
2002	15.00	4.00	8.00	Base
2003	15.45	4.12	8.24	3.0
2004	15.79	4.21	8.42	2.2
2005	16.26	4.34	8.67	3.0
2006	16.75	4.47	8.93	3.0
2007	18.04*	4.57	9.13	2.2
2008	18.67	4.73	9.45	3.5
2009	19.31	4.89	9.77	3.4
2010	19.60	4.96	9.92	1.5
2011	19.89	5.03	10.07	1.5
2012	21.60**	5.17	10.35	2.8
2013	22.25	5.33	10.66	3.0
2014	22.58	5.41	10.82	1.5
2015	22.92	5.49	10.98	1.5

See: <http://www.acta.org/gen/ACTARate%20History.pdf>

Current ACTA Average Rate: \$22.92 + \$5.49 = \$28.41 per TEU (40 mile round trip) or 71¢ per TEU-mile

ACTA Carload rate about 55¢ per car mile (20 mile one way trip) . If 1 Railcar = 4 TEU then the carload rate is just 12% of the container rate. In Los Angeles, this low rate is intended to encourage carload traffic to use the trench instead of using the old non-grade separated lines.



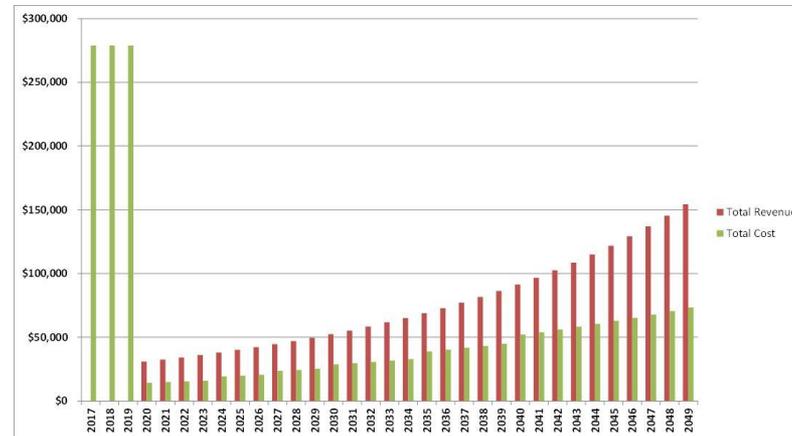
* Includes additional permanent RR settlement increase
** Includes additional temporary RR settlement increase

WB = Waterborne
NWB = Non-waterborne

PRELIMINARY FINANCIAL ANALYSIS



	NPV
IMX Revenues	\$579,551
Car Revenues	\$789,581
Total Revenue	\$1,369,132
GF Capital Cost	\$768,238
Track Mtce Cost Oper	\$290,569
Track Mtce Cost Cap	\$145,422
Admin Cost	\$38,722
Total Cost	\$1,242,951
NET	\$126,181



- **Conceptual Analysis undertaken from the point of view of the Railroad Authority, in nominal year of expenditure (YOE) dollars. Freeport to Caldwell est. cost \$837 million assumed in operation by 2020**
- **Due to the length of the route and forecasted tonnage, operating and capital maintenance is a significant component of the corridor’s cost structure, which must be recovered through usage fees.**
- **At a competitive tolling level and existing carload traffic north of Rosenberg to Caldwell; 4.4% interest and 1.4% inflation the NPV is \$126 million positive: this suggests that an infrastructure authority could fully service its Bonds from fees without needing subsidy or grant assistance.**
- **More study is needed to positively confirm costs and revenues, but suggests potential for a RRIF loan or use of Revenue Bonds as a low-cost financing vehicle for developing needed infrastructure improvements**



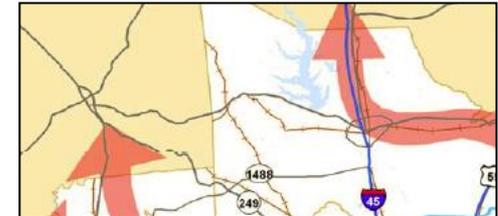
ECONOMIC IMPACTS AND NEXT STEPS

SH 36A MAJOR FREIGHT OPPORTUNITIES*

FEASIBILITY

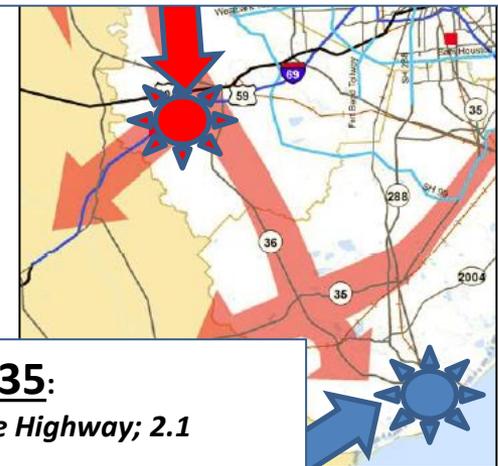


- **Current modeling suggests water penetration of local Houston market won't change much, due to added trucking cost from Freeport.**
 - Most new Freeport traffic goes to Dallas, Fort Worth, San Antonio and beyond – served today out of LA/LB.
 - As a result, rail volumes will continue to increase everywhere and UP and BNSF will still need to develop additional ramp capacity.
- **Rosenberg is well positioned in the future to become a major rail logistics hub. Shifting intermodal activity from UP Englewood and BNSF Pearland to Rosenberg would reduce rail congestion in downtown Houston.**
- **Overall, potential is 15,000 - 30,000 jobs likely in the SH 36A corridor, mostly consisting of distribution and industrial jobs.**



Rosenberg Rail Intermodal 2035:

*Up to 1 Million TEUs on the Highway;
Houston Distribution Growth 25% Share of Rail TEUs*
5,000-10,000 jobs



Port of Freeport 2035:

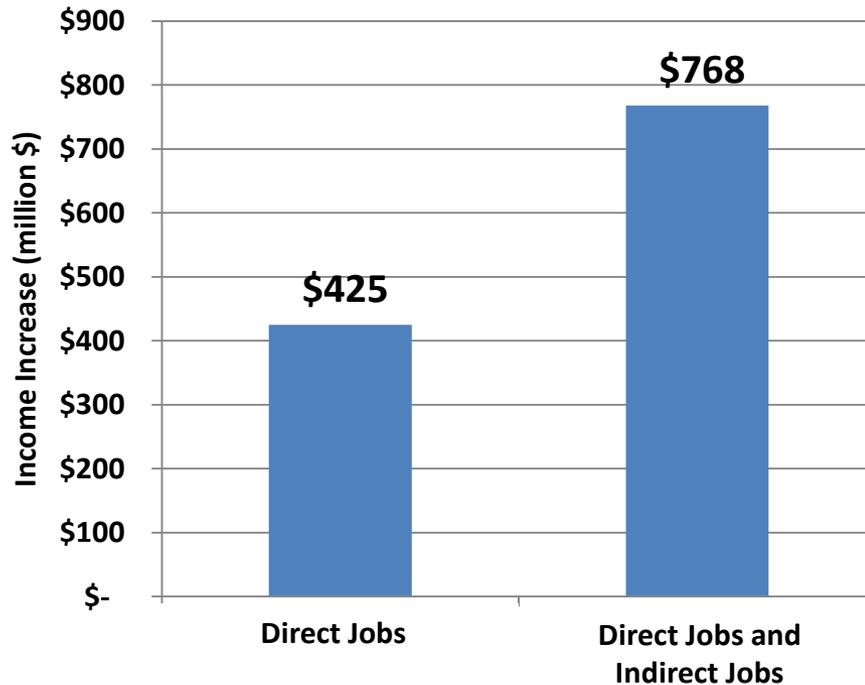
Up to 1.4 Million TEUs on the Highway; 2.1 Million going out by Rail.
*Port Operations, Import and Export Transload,
Houston Distribution Growth Share of Water TEUs*
10,000-20,000 jobs.

SH 36A ECONOMIC IMPACTS – INCOME AND SALES TAX INCREASE BY 2035

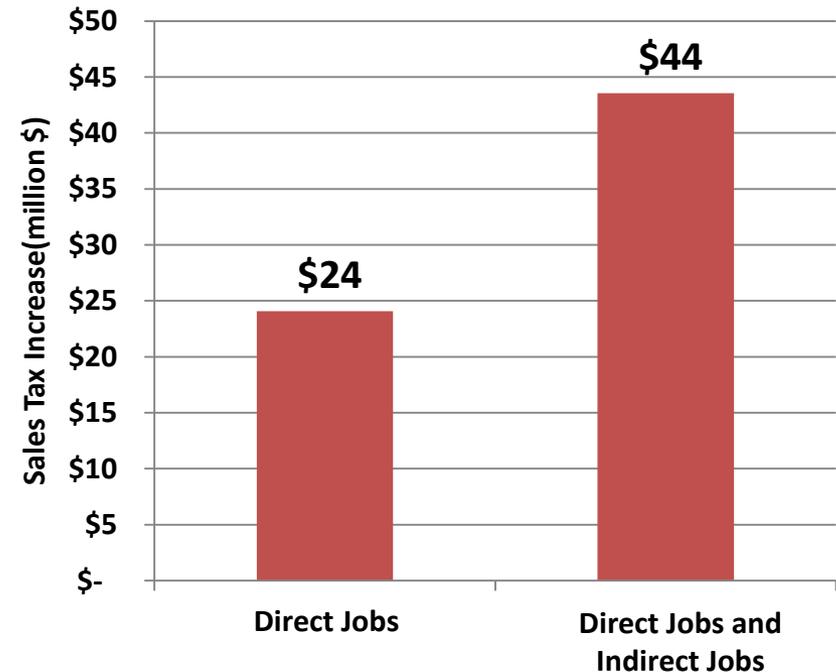
FEASIBILITY



Total Income Increase
(million \$ per Year)



Total State Sales Tax Increase
(million \$ per Year)



NEXT STEPS



Done!



- **Institutional: Set up Brazoria Fort Bend Rail District with bonding authority**
- **Rail program to immediately follow development of related Port Freeport improvements**
- **Environmental Assessment and Engineering**
 - Investment Grade Container Forecast
 - Financial Planning
 - Rail Capacity Analysis
 - Environmental Studies
 - Preliminary and Final Engineering
- **Railroad engagement is now needed to make this process a success!**



THANK YOU

FOR MORE INFORMATION CONTACT

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PRESIDENT

TEMS

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AMETCALF@TEMSINC.COM



COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
5	Proposed Amendments to Rosenberg Development Corporation Bylaws
ITEM/MOTION	
Consideration of and action on proposed amendments to the Rosenberg Development Corporation Bylaws.	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Randall Malik
RDC Executive Director

1. Bylaws of the Rosenberg Development Corporation – Redlined
2. Resolution No. RDC-82 – 08-13-13
3. RDC/City Administrative Service Agreement – 10-01-07
4. Economic Development Director Class Specification
5. Joint City Council and Rosenberg Development Corporation Meeting Draft Minute Excerpt – 02-11-16
6. Rosenberg Development Corporation Policy Committee Draft Minutes – 11-17-15

EXECUTIVE SUMMARY

At the February 11, 2016 Joint City Council and RDC Board Meeting, the Board tabled the proposed amendments to the RDC bylaws. The Board requested additional time to review the memorandum from Scott M. Tschirhart regarding the oversight structure of the RDC Executive Director.

Currently, the RDC bylaws and RDC/City Administrative Service Agreement indicate that the RDC Executive Director is to be an employee of the City of Rosenberg. Further, Resolution No. RDC-82 designates the Economic Development Director of the City of Rosenberg as the Executive Director of the RDC.

BYLAWS OF THE ROSENBERG DEVELOPMENT CORPORATION

These Bylaws govern the affairs of the ROSENBERG DEVELOPMENT CORPORATION (the "Corporation"), a public instrumentality and nonprofit industrial development corporation organized under Article 5190.6 V.T.C.S., the Development Corporation Act of 1979 (the "Act") and governed by Sec. 4B of the Act.

ARTICLE I. PURPOSE

General Purposes

1.01. The Corporation acts on behalf of the City of Rosenberg, Texas in furtherance of the public purposes of the Act and may engage in any project authorized under Sec. 2(10) or Sec. 4B of the Act, with the exception of those projects the primary purpose of which is the financing of business through the granting of loans, which projects the Corporation is specifically prohibited from engaging in.

Powers

1.02. The Corporation has all the powers, both express and implied, granted to corporations governed by Sec. 4B of the Act, with the exception of the limitation noted above.

ARTICLE II. OFFICES

Principal Office

2.01. The principal office of the Corporation in the State of Texas is located at 2110 Fourth Street in Rosenberg, Texas. The Board of Directors may provide for additional offices or change the location of any office with the prior approval of the City Council of the City of Rosenberg.

Registered Office and Agent

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

ARTICLE III. BOARD OF DIRECTORS

Management of the Corporation

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

Duties of Directors

3.02. The Board of Directors is required to perform the following duties:

- a. Program. The Board of Directors shall research, develop, and prepare an Economic Development Plan (the Plan) in accordance with policies or directives established by the City Council of the City of Rosenberg. The Board of Directors shall review the Plan at least once a year and submit it to the City Council of the City of Rosenberg for its approval. The Plan shall include:
 1. The short and long-term objectives of the Corporation and how they might be achieved, including specific details of proposed efforts or programs to achieve those goals;

2. Guidelines of how the Corporation proposes to use the tax funds received by the Corporation to achieve its objectives, including any limitations on the use of the funds;
 3. Any other information the City Council of the City of Rosenberg requests in writing be included in the Plan.
- b. Briefings. The President or Executive Director shall appear before the City Council of the City of Rosenberg to brief the City Council of the City of Rosenberg and submit a written Performance Report to the City Council of the City of Rosenberg on activities of the Corporation at least annually and at such other times as requested by the Mayor or three or more members of the City Council of the City of Rosenberg.

Number, Qualifications and Tenure of Directors

3.03. The Board of Directors shall consist of seven (7) members appointed by and who serve at the pleasure of the City Council of the City of Rosenberg, Texas, for two year terms of office or until successors are appointed. Not more than three (3) directors shall be persons who are employees, officers or members of the City Council of the City of Rosenberg, Texas. If an employee, officer or member of the City Council of the City of Rosenberg, Texas who has been appointed as a director shall cease to be an employee, officer or member of the City Council of the City of Rosenberg, Texas such event shall constitute an automatic resignation as a director and such vacancy shall be filled in the manner provided herein. After the expiration of the initial terms of the initial Directors as set forth in the Articles of Incorporation, the terms of four (4) directors shall begin on the first Tuesday in June of each even numbered year and expire on the first Tuesday in June of the next following even numbered year. The terms of three (3) directors shall begin on the first Tuesday in June of each odd numbered year and expire on the first Tuesday in June of the next following odd numbered year. Each director must reside within the City of Rosenberg, Texas and meet the requirements pursuant to the City Charter for City Officers.

Attendance

3.04. Directors should attend all regular called meetings of the Board of Directors. Directors who are regularly absent from meetings of the Board of Directors may be removed from office by the City Council of the City of Rosenberg, Texas.

Vacancies

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

Ex-Officio Members

3.06. The City Council of the City of Rosenberg may appoint ex-officio members to the Board of Directors. Ex-officio members shall be given notice of all meetings of the Board of Directors and may participate in discussions at Board meetings, but shall not be entitled to vote. The Board of Directors may recommend individuals to the City Council to serve as ex-officio members. The ex-officio members shall serve at the pleasure of the City Council of the City of Rosenberg and until their successors are appointed.

ARTICLE IV. OFFICERS

Officer Positions

4.01. The officers of the Corporation shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be members of the Board of Directors. These positions shall not be held by Board members that also serve as City employees or City Council Members. The Board of Directors may create additional officer positions, define the authorities and duties of such additional positions and appoint persons to fill such positions. No person may hold more than one such office.

Election and Terms of Officers

4.02. The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting. Each Officer shall hold office until a successor is duly elected and qualified. An Officer may be elected to succeed himself or herself in the same office.

Removal of Officers

4.03. Any officer may be removed by the Board of Directors at any time, with or without good cause. The removal of an officer does not also result in the removal of such person as a director of the Corporation.

Vacancies

4.04. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's term.

President

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

Vice President

4.06. The Vice-President shall perform the duties assigned to him by the Board of Directors. When the president is absent, is unable to act, or refuses to act, the vice president shall perform the duties of the president. When acting in place of the president, the vice president shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president.

Secretary

4.07. When the president and vice president are absent, unable to act, or refuse to act, the secretary shall perform the duties of the president. When acting in place of the president, the secretary shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president. In addition, the secretary, or his/her designee, shall:

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

Treasurer

4.08. When the president, vice president and secretary are absent, unable to act, or refuse to act, the treasurer shall perform the duties of the president. When acting in place of the president, the treasurer shall have all the powers and duties as the president and be subject to all of the limitations and restrictions placed upon the president. In addition, the treasurer, or his/her designee, shall:

- a. Have charge and custody of and be responsible for all funds and securities of the Corporation.
- b. Receive and give receipts for moneys due and payable to the Corporation from any source.
- c. Deposit all moneys in the name of the Corporation in banks, trust companies, or other depositories as provided by these bylaws.
- d. Write checks and disburse funds to discharge obligations of the Corporation.
- e. Maintain the financial books and records of the corporation.
- f. Prepare financial reports at least annually.
- g. Perform other duties as assigned by the Board of Directors.
- h. Perform all duties incident to the office of treasurer.

Executive Director

4.09. The Board of Directors ~~may can appoint an designate a City of Rosenberg employee as the Executive Director to serve as the General Manager and Chief Administrative Officer of the Corporation. The Executive Director will be an employee of the City of Rosenberg and is subject to the supervision of the City Manager.~~ The Executive Director shall perform the duties specifically delegated to him/her by the Board of Directors. ~~Administrative and personnel services, and the specific rules related thereto are delineated in the annual Administrative Services Agreement between the Rosenberg Development Corporation and the City of Rosenberg.~~

The Executive Director designee shall serve at the pleasure of the Board of Directors. The Executive Director shall be responsible for policy and program implementation and the day-to-day operations of the Corporation. The Executive Director will supervise and manage the business affairs of the Corporation. The Executive Director shall be a non-voting, ex-officio member of the Board of Directors and of any other committees created by the Board of Directors. The Executive Director shall compile and submit to the Board of Directors regular reports and recommendations regarding the programs, policies, and business affairs of the Corporation.

ARTICLE V. BOARD COMMITTEES

Committees Authorized

5.01. With the approval of the Board of Directors, the President may appoint persons to serve on standing or ad hoc committees. A committee may include persons who are not Directors of the Corporation. Committees will operate under general rules adopted by the Board of Directors. Committees may be charged with specific duties or authority, but shall not have the authority to:

- a. Amend the Articles of Incorporation; amend, alter, or repeal the Bylaws; or adopt a plan of merger or consolidation with another Corporation.
- b. Authorize the sale, lease, exchange or mortgage of any of the property or assets of the Corporation or commit Corporation funds without the prior approval of the Board of Directors.

- c. Authorize or revoke proceedings for the voluntary dissolution of the Corporation or adopt a plan for the distribution of the assets of the Corporation.
- d. Approve any transaction to which the Corporation is a party, take any action outside the scope of authority delegated to it by the Board of Directors, take final action on a matter that requires the approval of the Board of Directors, take action on any other matters appropriate to the authority of the Board of Directors, or take any action that involves a potential conflict of interest as defined in these Bylaws.

Committee List

5.02. The Economic Development Staff shall keep a list of standing committees and their appointees, along with each members appointment date and a description of each committee's purpose. This list may be revised as deemed necessary by the Board of Directors.

Committee Terms

5.03. The members of each standing committee shall serve until successors are appointed by ~~an~~ ~~incoming~~ ~~the~~ President, unless the Committee is terminated or a member is removed, resigns, or ceases to qualify as a member. Vacancies on committees may be filled in the same manner as the original appointment.

Rules

5.04. Each committee or subcommittee may adopt rules for its own operation consistent with the Bylaws or with rules adopted by the Board of Directors.

5.05. Such committees shall keep regular minutes of their meetings and report the same to the Board of Directors when required.

ARTICLE VI. MEETINGS

Annual Meeting

6.01. The annual meeting of the Board of Directors shall be held during the month of July of each year. The Board of Directors shall designate the time and location of the annual meeting, which shall be held in the principal offices of the Corporation. In accordance with Article IV, the election of officers should be conducted at the regular annual ~~meeting~~[RM1].

Regular Meetings

6.02. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings at least four (4) times a year. The meeting shall be held within the City of Rosenberg, Texas, at the principal offices of the Corporation or at such other location as the Board of Directors may designate.

Special Meetings

6.03. Special meetings of the Board of Directors may be called by the Mayor or at the request of the President or any three Directors. A person or persons calling the meeting shall fix the time and location of the meeting, which meeting shall be conducted within the City of Rosenberg, Texas. The person or persons calling a special meeting shall notify the secretary of the Corporation of the information required to be included in the notice of the meeting.

Notice of Meetings

6.04. The Board of Directors shall be considered a "governmental body" within the meaning of Texas

Government Code, Sec. 551.001, and all meetings, notices of meetings, and deliberations shall be called, convened, held, conducted and given in accordance with the provisions of Texas Government Code, Chapter 551 (The Texas Open Meetings Act). In addition to the posting of a meeting notice in accordance with these Bylaws and the Texas Open Meetings Act, a copy of each such meeting notice shall be delivered to each Director not less than seventy two (72) hours before the time of the meeting. The notice shall state the place, date and time of the meeting. A meeting notice shall be deemed delivered to any Director when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation. Such additional notice may be waived in writing by a Director at any time either before or after the time of the meeting and such additional notice shall be deemed waived by attendance. In the case of special meetings, notice may be issued to Directors by mail, telephone, fax or in person and shall include who called the meeting and the purpose of the meeting.

Quorum

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

Duties of Directors

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

Actions of Board of Directors

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

Proxy Voting Prohibited

6.08. A Director may not vote by proxy.

Removal of Directors

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

ARTICLE VII. TRANSACTIONS AND ADMINISTRATION OF THE CORPORATION

Fiscal Year

7.01. The fiscal year of the Corporation shall run concurrently with the fiscal year of the City of Rosenberg.

Accounts to be Administered by City

7.02. The Corporation shall contract with the City of Rosenberg for the administration of its accounts, expenditures, deposits, investment of funds and accounts in accordance with the Corporation's adopted investment policy, and other financial services for the Corporation as outlined in the Administrative Services Agreement between the Rosenberg Development Corporation and the City of Rosenberg. The Board of Directors shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds there from for use by and for the purposes of the Corporation upon two (2)

signatures, with the Executive Director and Director of Finance or his/her designee, and the RDC Board Treasurer as authorized signatories of said accounts.

7.03. The Corporation shall adopt an Investment Policy ("Policy") as required by State Law and shall invest its funds in accordance with the adopted Policy. The Policy shall be reviewed/updated on a yearly basis.

Checks and Drafts

7.04. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness over \$5,000 issued in the name of the Corporation shall be signed or bear the facsimile of three (3) signatures, with the Executive Director, Director of Finance or his/her designee, ~~and two (2) Directors of the Corporation and the President of the Corporation or his or her designee~~ as authorized signatories, who shall be specifically designated by the Board.

Budget

7.05. At least ~~ninety-sixty~~ (690) days prior to the commencement of each fiscal year of the Corporation, the Board of Directors shall adopt a proposed budget of expected revenues and proposed expenditures of the next ensuing fiscal year. The budget shall contain such classifications and shall be in such forms as may be prescribed by the City Council of the City of Rosenberg. The Corporation's budget shall not be effective until the same has been approved by the City Council of the City of Rosenberg.

Audits

7.06. The Corporation shall cause its books, records, accounts, and financial statements, and all other activities for the previous fiscal year to be audited at least once each fiscal year by an outside independent certified public accounting firm approved by the City Council of the City of Rosenberg. Any such audit shall be performed in accordance with generally accepted auditing procedures (GAAP) and shall include a written management letter which details suggested management controls and operating efficiencies. The management letter shall include recommendations for improving cost reductions and safeguarding assets. Each audit shall be prepared and submitted annually to the City Council of the City of Rosenberg, Texas, for approval.

Limitations on Expenditures

7.07. Before expending funds to undertake a project, the Corporation shall hold at least one public hearing on the proposed project. The Board of Directors shall provide written notification in advance to the City Council of the date, time, location of the public hearing, as well as a description of the project(s).

7.08. Expenditures shall not be limited except to the extent and categories as may be permitted under the laws of the State of Texas. It is the intent of the Rosenberg Development Corporation to use its resources and assets to the maximum extent as shall be permitted under the laws of the State of Texas, however no more than ten percent (10%) of the annual budget of the Rosenberg Development Corporation is to be allocated to administration and it further being the intent of the Rosenberg Development Corporation to impose upon itself no other restrictions except those as may be specified by law.

Contracts

7.09. The Board of Directors by official action may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments. ~~The Corporation shall follow and be bound by the same purchasing and contracting provisions of State law, including the provisions on competitive bidding, that are applicable to the City of Rosenberg.~~

7.10. The Corporation may contract with any qualified and appropriate person, association,

corporation or governmental entity, including the City of Rosenberg, to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of Directors or its discretion and policy-making functions in discharging the duties herein set forth.

Gifts

7.11. The Board of Directors may accept on behalf of the Corporation any gift or bequest. Special funds shall include all funds from government contracts, grants, and gifts designated by a donor for special purposes. All other funds shall be general funds.

Seal

7.12. The Board of Directors shall provide for a corporate seal.

Potential Conflicts of Interest

7.13. ~~The members of the Board of Directors are local public officials within the meaning of the Texas Government Code Chapter 171. In transactions with the Corporation, Directors shall follow and be bound by the requirements and limitations of Chapter 171 of the Local Government Code, as amended.~~ If a director has a substantial interest in a business entity or real property which is the subject of deliberation by the Board of Directors, the director shall file an affidavit with the secretary of the corporation stating the nature and extent of the interest. Such affidavit shall be filed prior to any vote or decision upon the matter. The Corporation shall not make a loan to a Director, Officer or employee of the Corporation or to an Officer or employee of the City of Rosenberg. Any Director may bring to the Board's attention any apparent or potential conflict of interest of any other Director in any transaction or matter coming before the Board of Directors for a decision. The Board of Directors shall make a determination on whether the Director has a conflict of interest before voting on the transaction or matter. The Director alleged to have the conflict of interest shall not vote on the determination of whether the conflict of interest exists. A Director who has a conflict of interest in a matter before the Board of Directors shall leave the room during any discussion and vote on that matter. This paragraph shall also apply to members of committees.

Bonds

7.14. Any bonds issued by the Corporation shall be in accordance with the Act and shall not be issued until approved by the City Council of the City of Rosenberg and by the bond counsel and financial advisers of the City of Rosenberg or the Corporation.

ARTICLE VIII. BOOKS, RECORDS AND AUDITS

Required Books and Records

8.01. The Corporation shall keep correct and complete books and records of account. The Corporation's books and records shall include:

- a. A file endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or agent.
- b. A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c. Minutes of the proceedings of the Board of Directors.
- d. A list of names and addresses of the directors and officers of the Corporation.
- e. A financial statement showing the assets, liabilities, and net worth of the Corporation at the

end of the three most recent fiscal years.

- f. A financial statement showing the income and expenses of the Corporation for the three most recent fiscal years.
- g. All rulings, letters, and other documents relating to the Corporation's federal, state and local tax status.
- h. The Corporation's federal, state and local information or income tax returns for each of the Corporation's three most recent tax years.

Records Open to Public

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

Audits

8.03. The City Council of the City of Rosenberg, Texas may at any time require an independent audit of the Corporation's books to be conducted.

Inspections

8.04. Any member of the City Council of the City of Rosenberg, Director or Officer of the Corporation may inspect and receive copies of all books and records of the Corporation required to be kept by the Bylaws.

ARTICLE IX. YEARLY REVIEW OF BYLAWS

9.01. The bylaws shall be reviewed yearly, and revisions recommended as necessary for consideration by the Board and any applicable committees.

ARTICLE X. AMENDMENTS TO BYLAWS OR ARTICLES OF INCORPORATION

10.01. The bylaws may be altered, amended, or repealed by the Board of Directors with the consent of the City Council of the City of Rosenberg, Texas.

10.02. The Articles of Incorporation may at any time and from time to time be amended as provided in the Act so as to make any changes therein and add any provisions thereto which might have been included in the Articles of Incorporation in the first instance. Any such amendment shall be affected in either of the following manners: (i) the members of the Board of Directors of the Corporation shall file with the City Council of the City of Rosenberg a written application requesting approval of the amendments to the Articles of Incorporation, specifying in such application the amendments proposed to be made, such governing body shall consider such application and, if it shall by appropriate resolution duly find and determine that it is advisable that the proposed amendments be made and shall approve the form of the proposed amendments, then the Board of Directors of the Corporation may amend the Articles of Incorporation by adopting such amendments at a meeting of the board of directors and delivering articles of amendment to the Secretary of State, or (ii) Council may, at its sole discretion, and at any time, amend the Articles of Incorporation, and alter or change the structure, organization, programs or activities of the Corporation, or terminate or dissolve the Corporation (subject to the provisions of the Act, and subject to any limitation provided by the constitutions and laws of the State of Texas and the United States of America on the impairment of contracts entered into by the Corporation) by written resolution adopting the amendment to the Articles of Incorporation of the Corporation or articles of dissolution at a meeting of the City Council of the City of Rosenberg and delivering articles of amendment or dissolution to the Secretary of State, as provided in the Act. Restated Articles of Incorporation may be filed with the Secretary of State as provided in the Act.

ARTICLE XI. INDEMNIFICATION AND INSURANCE

Corporation to Indemnify

11.01. The Corporation shall indemnify any Director or Officer or former Director or Officer of the Corporation for expenses and costs (including attorney's fees) actually and necessarily incurred by the Officer or Director in connection with any claim asserted against the Officer or Director by action in court or otherwise by reason of the person being or having been a Director or Officer, except in relation to matters as to which the person shall have been guilty of negligence or misconduct in respect of the matter in which indemnity is sought.

Corporation May Provide Insurance

11.02. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Corporation to insure such person against any liability asserted against the person by reason of the person being or having been a Director, Officer, employee, or agent of the Corporation. The premiums for the insurance shall be paid for by the Corporation.

ARTICLE XII. PARLIAMENTARY AUTHORITY

12.01. Robert's Rules of Order, Newly Revised, shall be the parliamentary authority for all matters of procedure not specifically covered by the Bylaws or any specific rules of procedure adopted by the Board of Directors.

ARTICLE XIII. DISSOLUTION OF THE CORPORATION

13.01. The Corporation is a non-profit Corporation. Upon dissolution, all of the Corporation's assets shall be conveyed to the City of Rosenberg.

ARTICLE XIV. MISCELLANEOUS PROVISIONS

Legal Authorities Governing Construction of Bylaws

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

Legal Construction

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

Headings

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

Parties Bound

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

Effective Date

14.05. These Bylaws, and any subsequent amendments hereto, shall be effective of and from the date upon which approval has been given both by the Board of Directors and the City Council of the City of Rosenberg, Texas.

CERTIFICATE OF SECRETARY

This is to certify that the foregoing is a true and correct copy of the Bylaws of the Corporation and that such Bylaws were duly amended by the Board of Directors of the Corporation on the date set forth below.

Adopted by the Board of Directors on _____ day of _____, 20_____.

(SEAL)

ATTEST: _____
SECRETARY of the Corporation

Amended Bylaws approved by City of Rosenberg by motion, adopted by City Council of the City of Rosenberg on the ____ day of _____, 20_____.

(SEAL)

ATTEST: _____
CITY SECRETARY, Linda Cernosek

- Section 7.06 amended August 9, 1999
- Section 4.09 amended March 1, 2005
- Sections 4.08-.09; 5.02-.05; 6.01; 7.02-7.14; 9.01; 10.01-10.02; 11.01-11.02; 12.01; 13.01; 14.01-14.05 amended September 18, 2007
- Sections 3.06, 4.01, 7.07, 7.09, 7.12 amended May 15, 2012

RESOLUTION NO. RDC-82

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION DESIGNATING THE ECONOMIC DEVELOPMENT DIRECTOR FOR THE CITY OF ROSENBERG AS THE EXECUTIVE DIRECTOR OF THE ROSENBERG DEVELOPMENT CORPORATION.

* * * * *

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ROSENBERG DEVELOPMENT CORPORATION:

Section 1. The Rosenberg Development Corporation does hereby designate the Economic Development Director for the City of Rosenberg as the Executive Director for the Rosenberg Development Corporation.

PASSED, APPROVED, AND RESOLVED on this 13th day of August 2013.

ATTEST:



Linda Cernosek, City Secretary

Rosenberg Development Corporation



Bill Knesek, President



THE STATE OF TEXAS §

COUNTY OF FORT BEND §

**ADMINISTRATIVE SERVICES AGREEMENT BETWEEN
THE ROSENBERG DEVELOPMENT CORPORATION
AND THE CITY OF ROSENBERG**

This Agreement is entered into by and between the **Rosenberg Development Corporation** (hereinafter referred to as the "**RDC**" and) the **City of Rosenberg, Texas** (hereinafter referred to as the "**CITY**").

WHEREAS, the RDC and CITY wish to aid, and cooperate with each other in coordinating certain functions and services including administrative services for the effective, efficient operation of the RDC; and

WHEREAS, it is in the best interests of the CITY to cooperate with the RDC in that the RDC is a public **instrumentality** acting on behalf of the CITY in furtherance of the public purposes of the Development Corporation Act of 1979, Article 5190.6 V.T.C.S.; and

WHEREAS, the governing body of CITY has duly authorized this agreement; and

WHEREAS, the governing body of RDC has duly authorized this agreement;

NOW THEREFORE, in consideration of the foregoing and further consideration of the mutual promises, covenants and conditions herein CITY and RDC hereby agree as follows:

Use of City Facilities

1. The CITY will agree to allow the RDC to use the City Council Chamber and Mayor/Council Office, Civic Center, and conference rooms without fee, but only if it does not conflict with any other scheduled event/activity. Adequate office space for RDC daily operations, utilities and common space (restrooms, break rooms and storage) will be provided by the City. Utilities include telephone service and hardware, internet connections, and shared building utilities. Also, the CITY agrees to allow the RDC to post notices for public hearings, special and/or regular meetings, and/or workshops.

2. The CITY agrees to share a Post Office box and a box at City Hall for receipt of mail to the RDC and to disseminate any and all mail to the RDC's box at City Hall without charge.

Services to be Provided

3. The CITY agrees to provide the following services to the RDC pursuant to the City Manager's direction and approval, and such employees furnishing said services are to be considered at all times to be employees of the CITY.

- a. Economic Development Director Services
 - 1. Develop and implement strategies for the retention, expansion, and recruitment of business enterprises.
 - 2. Provide administrative services as required by the RDC.
 - 3. Perform services related to the office of Executive Director of the RDC.
 - 4. Perform all services related to State of Texas requirements for Economic Development Corporation's reporting. Maintain all public documents and records of the Corporation.

- b. Assistant Economic Development Director Services
 - 1. Assist the Economic Development Director in the day-to-day operation of the RDC and the development and implementation of sound, fact-based economic development strategies to retain, expand and recruit business enterprises.

- c. Finance and Accounting
 - 1. Payment of any and all bills submitted by the RDC within RDC budgetary and bylaw requirements. The City accepts no responsibility for the legitimacy of bills submitted. Receive, manage and invest RDC funds in accordance with the adopted RDC Investment Policy.
 - 2. Maintenance of accounting records, including but not limited to general ledger, income and expense accounts and balance sheet.
 - 3. Allowance for the RDC to retain City auditors. If City auditors are retained, RDC shall reimburse the City for applicable RDC audit costs.

4. Processing and preparation of annual budget, including monthly budget reports.

c. Other Services

1. The RDC may request other needed services from the CITY such as, but not limited to, those services to be provided by the City Attorney, City Engineer, City Secretary, Personnel Department, Director of Marketing and Public Affairs, Planning and Engineering Director, and the RDC Executive Director and applicable support staff (Administrative Assistant, Secretary).
2. The City shall provide general legal services to the Corporation, including advice, the review and preparation of resolutions, general contracts, and other legal documents or records for the Corporation. Legal services provided in regard to RDC Capital Improvement Projects (CIPs) will be charged to the individual project. The obligation of the City to provide legal services to the Corporation shall not include the duty to defend any claim or lawsuit made against the Corporation or its directors.
3. Capital Improvement Project Management Fee: For projects funded by the RDC, the RDC will pay to the City a CIP Management Fee for managing the authorized projects to completion. The Fee will be 5% of the total project cost. Project fees will be budgeted on a per-project basis and will be separate line items in the RDC's Project Fund budget for each applicable project. Management Fees will be reimbursed to the City proportional to the payment of project invoices on an annual basis.

Compensation

4. In consideration for the services, equipment, buildings, and related costs provided by the CITY for the benefit of the RDC, the RDC agrees to reimburse the CITY based on the attached summary of approved expenses. For FY 08, the approved amount is \$226, 788.00

- a. Quarterly payments to the CITY by the RDC shall be made as expediently as possible upon invoice after the following dates:

December 31, 2007

March 31, 2008

June 30, 2008

September 30, 2008

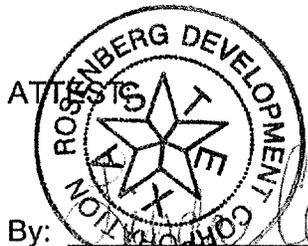
- b. Should the payment amount due on September 30, 2008, cause the total RDC Administrative budget to exceed 10% of the annual budget, the payment amount shall be adjusted to conform to the 10% cap on expenditures for administration.
- c. Compensation expenses will be reviewed concurrently with the establishment of the annual budget, and if there are any changes, a new attachment of the summary of anticipated expenses will be provided. The administrative personnel portion of the Administrative fees will be reconciled to the actual personnel costs paid.

Period of Duration

5. This agreement will have no force or effect until duly executed by all parties hereto and will terminate at **12:01 a.m. on October 1, 2008**, and thereafter automatically renewed annually for each succeeding year. The RDC and the CITY may cancel this agreement at any time upon thirty (30) days written notice to the other party to this agreement. The obligations of the RDC, including its obligation to pay the CITY for all costs incurred under this agreement prior to such notice, shall survive such cancellation, as well as any other obligation incurred under this agreement, until performed or discharged by the RDC.

Execution

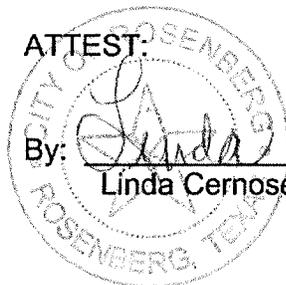
Executed, in duplicate originals, by the CITY on the 18th day of September, 2007, and by the RDC on the 19th day of September, 2007, at Rosenberg, Fort Bend County, Texas to be effective on **October 1, 2007.**



By: *Linda Cernosek*
Linda Cernosek, City Secretary

ROSENBERG DEVELOPMENT CORPORATION

By: *Bill Knesek*
Bill Knesek, RDC Board President



By: *Linda Cernosek*
Linda Cernosek, City Secretary

CITY OF ROSENBERG

By: *Joe M. Gurecky*
Joe M. Gurecky, Mayor

Summary of Approved Expenses

**City of Rosenberg
Calculation of Administrative Fees for
Rosenberg Development Corporation
FY 2008 BUDGET**

Administration, Finance, and Accounting	\$210,088.00
City Manager/Executive Director	
Secretary	
Administrative Assistant	
Economic Development Director	
Assistant Economic Development Director	
Director of Finance and Administration	
Finance Manager	
Finance Analyst	
Payroll Clerk	
A/P Clerk	
City Secretary	
Director of Planning and Engineering	
Director of Marketing and Public Affairs	
Legal Counsel (except project specific costs, which will be billed to each project)	
Audit Services	\$4,500.00
Other Services	\$12,200.00
Use of City Facilities including meeting space	
Copiers, Telephone, IT, Utilities	
Total FY 08	<u>\$226,788.00</u>

**CITY OF ROSENBERG, TX
CLASS SPECIFICATION**

Director

<u>FLSA STATUS</u>
Exempt

<u>CLASS SUMMARY:</u>
This is the second level in a five level Management Series. Directors apply management principles with critical impact on citizens and the organization. Incumbents exercise strategic and visionary thinking having organization-wide application and impact; develop and implement programs critical to the City; and exercise control and supervision of an assigned department and significant resources. Responsibility within the organization is comprised of a designated department. Positions will usually have responsibility for program outcomes across a designated department as assigned. Incumbents supervise staff including conducting performance evaluations, coordinating training; and implementing hiring, discipline and termination procedures.

<u>ESSENTIAL DUTIES:</u>	<u>PERCENT OF TIME</u>
This class specification represents only the core areas of responsibilities; specific position assignments will vary depending on the needs of the department.	
Supervises staff to include: prioritizing and assigning work; conducting performance evaluations; ensuring staff is trained; ensuring that employees follow policies and procedures; maintaining a healthy and safe working environment; and, making hiring, termination, and disciplinary recommendations.	Daily 20%
Manages the operations of an assigned department and associated resources and ensures operational readiness; establishes plans, controls and strategies; and monitors and ensures operational compliance with applicable regulations, laws, standards and organizational policy.	Daily 20%
Reviews issues; gathers information and analyzes data; and oversees the preparation, maintenance and distribution of records, information, contract documentation, correspondence and/or reporting in accordance with legal requirements or established standards.	Weekly 20%
Serves as liaison with internal departments, external service providers and with the community; promotes partnership and public relations efforts; oversees the delivery of information through social media or other methods and/or education to the community; and provides coordination and responses to inquiries and requests.	Weekly 10%
Reviews, recommends, develops and implements policies and procedures in response to legislative change, process improvement, and/or organizational needs; provides policy interpretation and consultative advice to internal and external customers.	Monthly 10%
Reviews equipment needs and purchases equipment; may assist with Request For Proposal and bid review process.	Monthly 5%

**CITY OF ROSENBERG, TX
CLASS SPECIFICATION**

Director

<u>ESSENTIAL DUTIES:</u>	<u>PERCENT OF TIME</u>
This class specification represents only the core areas of responsibilities; specific position assignments will vary depending on the needs of the department.	
Monitors, analyzes and prepares budget reporting and financial data for the department; plans for departmental growth and development; reviews trends and budget requests; provides forecasting and resource estimates; and assists in administering assigned budget.	Monthly 5%
Performs other duties of a similar nature and level as assigned.	As Required

POSITION SPECIFIC RESPONSIBILITIES MIGHT INCLUDE:

Positions assigned to City Secretary may be responsible for:

- Serving as Records Management Officer for the City;
- Overseeing and/or responding to public information requests;
- Approving record authorization for destruction and storage;
- Preparing City Council meeting minutes and preparing them for approval and recording;
- Coordinating and administering City elections.

Positions assigned to Community Development and Planning may be responsible for:

- Coordinating and providing oversight of construction plan review process, permit approvals and related inspections;
- Reviewing construction ordinances and recommending changes to City Council.

Positions assigned to Economic Development may be responsible for:

- Managing operations and implementing policy and programs for the Rosenberg Development Corporation;
- Meeting with representatives of prospective companies looking to locate in Rosenberg;
- Identifying company needs and determining property availability and matching criteria;
- Negotiating incentives with prospective companies or existing companies looking to expand.

Positions assigned to Fire may be responsible for:

- Overseeing and coordinating the repair and maintenance of the facility and major equipment;
- Purchasing equipment to maintain operational readiness;
- Providing steering committee support for the operation of the regional Technical Rescue and Hazardous Materials Team.

Positions assigned to Human Resources may be responsible for:

- Participating in employee recruitment and selection processes;
- Consulting with leaders and providing oversight of performance assessment and performance management processes;
- Interpreting policy and reviewing legal requirements in order to provide information and advice to leaders;
- Analyzing and evaluating worker's compensation data and recommending corrective action plans or training programs.

**CITY OF ROSENBERG, TX
CLASS SPECIFICATION**

Director

POSITION SPECIFIC RESPONSIBILITIES MIGHT INCLUDE:

Positions assigned to Parks may be responsible for:

- Managing the design, construction, maintenance and operation of City Park facilities, recreation programs and special events;
- Overseeing inspections to ensure the safety and integrity of playground and park equipment;
- Evaluating and identifying community growth and park needs.

Positions assigned to Police may be responsible for:

- Managing and providing oversight of operations to assure public protection, due process of law, and general peace and order in the community;
- Providing high level managerial assistance to the Police Chief in administering the department;
- Analyzing crime reports to determine trends and provide resources in the community as required;
- Overseeing investigative programs and controls to reduce criminal activity.

Positions assigned to Public Works may be responsible for:

- Overseeing and assisting in the design of major construction and repairs to City streets and drainage systems;
- Assisting in preparation of capital improvement budget requests.

Positions assigned to Technology may be responsible for:

- Providing overall systems administration of City WAN, LAN and server systems;
- Managing technology resources including the provision of data security, access and controls;
- Providing technology disaster recovery and emergency management planning;
- Ensuring the backup and maintenance of all system files and libraries.

Positions assigned to Utilities may be responsible for:

- Assisting in the review of plans and specifications for City projects, major construction and new subdivisions;
- Overseeing the wastewater treatment plant operations and monitoring the environmental contract for permit compliance;
- Managing and providing oversight of the AMR Fixed Base Meter Reading System for the City;
- Managing and overseeing the water reuse project and operating process;
- Overseeing the operation and maintenance of City water plants, lift stations, booster station and SCADA.

TRAINING AND EXPERIENCE:

Bachelor's Degree and five years of experience related to area of assignment including three years of supervisory experience; or, an equivalent combination of education and experience sufficient to successfully perform the essential duties of the job such as those listed above.

**CITY OF ROSENBERG, TX
CLASS SPECIFICATION**

Director

LICENSING/CERTIFICATIONS:

Some positions may require specialized certifications based upon assignment.

- Valid Texas Driver's License;
- Incident Management Certificate;
- Driver Operator Certificate;
- Certified Parks & Recreation Professional Certificate;
- Groundwater C Operator License issued by the Texas Commission on Environmental Quality (TCEQ);
- Class III Wastewater Collection License issued by TCEQ;
- Class B Wastewater Treatment Plant Operator Certificate issued by TCEQ.

KNOWLEDGE OF:

- Applicable Federal, state and local laws, codes, regulations and/or ordinances;
- Managerial principles, practices and techniques;
- Applicable equipment, systems, operations, principles, standards and methods of area of assignment;
- Financial management and budgeting principles;
- Forecasting and planning principles;
- Customer service principles;
- Records management principles;
- Inventory maintenance practices;
- Specialized equipment relevant to area of assignment;
- Modern office equipment.

**CITY OF ROSENBERG, TX
CLASS SPECIFICATION**

Director

SKILL IN:

- Interpreting and applying applicable laws, codes, regulations and standards;
- Managing, monitoring, training and evaluating staff;
- Providing direction and assigning goals and objectives;
- Establishing plans, controls and strategies;
- Overseeing and directing operations and monitoring processes;
- Ensuring operational and procedural compliance with policy, laws, codes and regulations;
- Reviewing issues and analyzing related data;
- Providing oversight of the preparation, maintenance and distribution of departmental information;
- Serving as a departmental liaison providing information, policy interpretation and technical advice to customers;
- Reviewing, recommending and implementing policies and procedures in response to legislative changes or business process improvement;
- Reviewing equipment needs and purchasing or allocating resources for needs;
- Monitoring, analyzing and preparing financial data and reports;
- Reviewing trends and planning for resource needs;
- Preparing forecasts and estimates;
- Assisting in administering assigned budget;
- Utilizing a computer and relevant software applications;
- Utilizing communication and interpersonal skills as applied to interaction with coworkers, supervisor, the general public, and others to sufficiently exchange or convey information and to receive work direction.

ADA AND OTHER REQUIREMENTS:

Positions in this class typically require: stooping, kneeling, crouching, reaching, standing, walking, pushing, pulling, lifting, fingering, grasping, feeling, talking, hearing, seeing and repetitive motions.

Light Work: Exerting up to 20 pounds of force occasionally, and/or up to 10 pounds of force frequently, and/or negligible amount of force constantly to move objects. If the use of arm and/or leg controls requires exertion of forces greater than that for Sedentary Work and the worker sits most of the time, the job is rated for Light Work.

Incumbents may be subjected to moving mechanical parts, electrical currents, vibrations, fumes, odors, dusts, gases, poor ventilation, chemicals, oils, extreme temperatures, inadequate lighting, work space restrictions, travel and environmental conditions such as disruptive people, imminent danger or a threatening environment.

**CITY OF ROSENBERG, TX
CLASS SPECIFICATION**

Director

NOTE:

The above job description is intended to represent only the key areas of responsibilities; specific position assignments will vary depending on the business needs of the department.

CLASS HISTORY INFORMATION:

Draft prepared by Gallagher Benefit Services (BS)

Date: (6/15)

Discussion was held on where the funding would come from. The cost to have the logos printed on the tent is approximately \$2,000 maximum for each logo.

ACTION

Motion by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena, seconded by Director, Rosenberg Development Corporation Ted Garcia to approve \$5,000 from the RDC 2015 Parks fund to purchase a large tent with sidewalls, with both the City and the RDC logos printed on the tent. The City will pay the remainder of the cost for the tent. The tent will be used for City and RDC events only.

Vote: 6 - 0 Carried

4. **Review and discuss the design for the Downtown Parking Lot Project, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

At the December 10, 2015 RDC Meeting, the Board recommended revising the Downtown Parking Lot Project design to eliminate the entrance and exit off 3rd Street. Jones & Carter, Inc., have provided an updated design of the Downtown Parking Lot Project which removes this driveway.

Additionally, Councilor William Benton has requested that the RDC consider incorporating a right-turn only lane at the intersection of 3rd Street and Avenue F.

Staff recommends the Board discuss the revised design and provide direction to staff.

KEY DISCUSSION POINTS

Randall Malik, Economic Development Director, explained the current parking configuration and the potential changes if a right turn only lane was incorporated at the intersection of 3rd Street and Avenue F. By incorporating the right turn only lane, it would eliminate eleven (11) parking spaces. There will need to be a fire lane incorporated with an island for widening.

The general consensus was not to incorporate the right turn only lane, which would eliminate additional parking spaces.

ACTION

Motion by Councilor, District 1, Director, Rosenberg Development Corporation Jimmie J. Pena, seconded by Director, Rosenberg Development Corporation Ted Garcia to approve the design for the Downtown Parking Lot Project, including the fire lane, and to not put the right turn only lane at the intersection of 3rd Street and Avenue F, allowing for additional parking spaces.

Vote: 6 - 0 Carried - Unanimously

5. **Review and discuss a presentation by the Coastal Prairie Chapter of the Texas Master Naturalists on current activities and projects for Seabourne Creek Nature Park, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

Representatives of the Coastal Prairie Chapter of the Texas Master Naturalists will make a presentation regarding improvements to the Seabourne Creek Nature Park.

KEY DISCUSSION POINTS

Karl Baumgartner with the Coastal Prairie Chapter of the Texas Master Naturalists gave a presentation on the current and past activities and projects for the Seabourne Creek Nature Park.

The RDC members thanked Karl Baumgartner and the Texas Master Naturalists for their continued dedication and hard work in making the Seabourne Creek Nature Park and the Nature Center one of the best nature parks in the area. It was discussed to have a brochure prepared, showcasing the Seabourne Creek Nature Park and what it has to offer.

6. **Review and discuss proposed amendments to the Rosenberg Development Corporation Bylaws, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

At the January 14, 2016 RDC Meeting, the Board considered the proposed amendments to the Bylaws as recommended by the RDC Policy Committee. The Board requested additional discussion at the February meeting regarding Article 4.09 as it relates to the oversight structure of the RDC Executive Director and Article 3.03 as it relates to the number of Council members serving on the RDC Board of Directors. The Board further requested that City Attorney Scott Tschirhart review scenarios in which the RDC Executive Director could serve under the RDC Board yet still maintain City of Rosenberg employee benefits.

Currently, the RDC Bylaws and the Administrative Services Agreement with the City indicate that the RDC Executive Director is to be an employee of the City of Rosenberg. Further, Resolution No. RDC-82 (adopted 08-13-13) designates the Economic Development Director of the City of Rosenberg as the Executive Director of the RDC.

KEY DISCUSSION POINTS

Randall Malik read the Executive Summary and stated that two items were not discussed and decided upon at the last meeting, 1) Article 4.09 as it relates to the oversight structure of the RDC Executive Director; and 2) Article 3.03 as it related to the number of Council members serving on the RDC Board of Directors.

Scott Tschirhart, City Attorney, presented a memo concerning the Executive Director's position. President Knesek asked that the discussion be delayed until the next meeting, so the board could read and review the memo handed out at the meeting.

ACTION

Motion by Director, Rosenberg Development Corporation Ted Garcia, seconded by Councilor, District 4, Director, Rosenberg Development Corporation Lynn Moses to table the discussion on the number of Council Directors to serve on the Rosenberg Development Corporation and the Executive Director (Article 3.03) and the oversight structure of the RDC Executive Director (Article 4.09) until the March 2016 RDC meeting.

Vote: 6 - 0 Carried

President Knesek adjourned for a break at 5:32 p.m.

7. **Hold Executive Session to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease or value of real property pursuant to Section 551.072; and, regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.**
8. **Adjourn Executive Session, reconvene Regular Session, and the Rosenberg Development Corporation may take action as necessary as a result of Executive Session**
President Knesek adjourned the Executive Session and reconvened into Regular Session.
9. **Review and discuss a report from the Rosenberg Development Corporation Executive Director regarding the previous month's activities and contacts, which includes updates on the following:**
 - a. **Economic Indicators;**
 - b. **Business Retention Visits;**
 - c. **New and Expanded Businesses;**
 - d. **Existing Businesses; and,**
 - e. **Past and Current RDC Projects.****UTIVE SUMMARY**
This item has been included to provide the Executive Director an opportunity to update the Board on the previous month's activities, contacts, and projects.

KEY DISCUSSION POINTS

Randall Malik reported that:

- The RDC, City Council, and staff will be touring the Port of Freeport on Thursday, February 18, 2016. Randall Malik had the opportunity to represent the RDC Board in Panama. The canal is 90% complete. The Port of Freeport is positioned in the Gulf of Mexico to handle some of the larger vessels. Some of the shippers will require two sets of rail lines. At the present time, they are using one rail line, Union Pacific Rail, that runs through Arcola, Texas. With the expanded Panama Canal, the vessels can now go through the Port of Freeport.
- Mayor McConathy stated that the intermodal rail lines in both Kendleton and Rosenberg will stay very busy when the Panama Canal vessels use the Port of Freeport.
- On March 10, 2016, the Highway 36 Coalition will talk about the Port of Freeport and give updates.

10. **Review and discuss requests for future Agenda items, and the Rosenberg Development Corporation may take action as necessary.**

EXECUTIVE SUMMARY

This item provides the RDC Board an opportunity to request future Agenda items.

**ROSENBERG DEVELOPMENT CORPORATION
POLICY COMMITTEE MEETING MINUTES**

On this the 17th day of November 2015, the Rosenberg Development Corporation (RDC) Policy Committee of the City of Rosenberg, Fort Bend County, Texas, met in Regular Session at the Rosenberg City Hall Council Office, 2110 4th Street, Rosenberg, Texas.

PRESENT

Bill Knesek	President, Rosenberg Development Corporation
Lynn Moses	Director, Rosenberg Development Corporation
Jimmie J. Peña	Director, Rosenberg Development Corporation

STAFF PRESENT

Jeremy Heath	Assistant Economic Development Director
Randall Malik	Executive Director, Rosenberg Development Corporation
Joyce Vasut	Executive Director of Administrative Services

CALL TO ORDER.

President Knesek called the meeting to order at 6:00 p.m.

REGULAR AGENDA

1. REVIEW AND DISCUSS THE ROSENBERG DEVELOPMENT CORPORATION BYLAWS, AND TAKE ACTION AS NECESSARY.

Executive Session: The Rosenberg Development Corporation (RDC) Bylaws require that the Board annually review its Bylaws. This meeting will provide the Policy Committee the opportunity to review the Bylaws and recommend any necessary changes to the RDC Board of Directors.

Key discussion points:

- ARTICLE 1.01: Randall Malik asked if the Board wanted the exception restricting the financing of businesses through the granting of loans. Bill Knesek requested staff remove such language and send it to the board for review.
- ARTICLE 4.09: Bill Knesek asked to consider striking the language "The Executive Director will be an employee of the City of Rosenberg and is subject to the supervision of the City Manager". After discussion, it was suggested striking the language would be appropriate if the statement, "The Executive Director designee shall serve at the pleasure of the Board of Directors" is amended to include, "with consent of the City Council".
- ARTICLE 5.03: Bill Knesek suggested striking the term, "incoming" from the first sentence and adding the statement, "The Committees serve at the pleasure of the RDC Board".
- ARTICLES 6.01 AND 6.02: Bill Knesek requested staff create a resolution stating that the location of the RDC's Regular Meetings will be Rosenberg Civic Center, 3825 Hwy 36S, Rosenberg, Texas, in order to clarify the location of the RDC's "principal offices".
- ARTICLE 6.07: Bill Knesek requested the full language of the article be condensed to "The vote of a majority of directors at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors".
- ARTICLE 7.02: Joyce Vasut indicated that she will review the language in article 7.02 and take proposed changes to the RDC Board.
- ARTICLE 7.04: Bill Knesek suggested the language "two (2) Directors of the Corporation" be replaced with "President of the Corporation or his or her designee in the event the President is not capable".
- ARTICLE 7.05: Randall Malik requested that the language "ninety (90) days" be changed to "sixty (60) days".
- ARTICLE 7.09: Randall Malik requested removing the sentence regarding competitive bidding.

- ARTICLE 7.13: Randall Malik requested removing the first sentence, “The members of the Board of Directors are local public officials within the meaning of the Texas Government Code Chapter 171”.
- ARTICLE 14.01: Bill Knesek requested the clause, “as amended” be added following, “Development Corporation Act of 1979”.

No action taken.

2. ADJOURNMENT.

Action: Director Moses moved, seconded by Director Pena, to adjourn the Regular Rosenberg Development Corporation Policy Committee Meeting. The motion carried by a unanimous vote. The meeting adjourned at 6:48 p.m.

Randall Malik
Executive Director, Rosenberg Development Corporation

ITEM 6

Hold Executive Session to receive legal advice from the City Attorney concerning pending litigation, namely dispute with Imperial Performing Arts, Inc., pursuant to Section 551.071 of the Texas Government Code; to deliberate the potential purchase, exchange, lease, or value of real property pursuant to Texas Government Code Section 551.072; and regarding economic development negotiations pursuant to Section 551.087 of the Texas Government Code.

ITEM 7

Adjourn Executive Session, reconvene Regular Session, and take action as necessary as a result of Executive Session.



COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
8	Executive Director's Report
ITEM/MOTION	
Consideration of and action on a report from the Rosenberg Development Corporation Executive Director regarding the previous month's economic development activities and contacts, which includes updates on the following: <ul style="list-style-type: none">a. Economic Indicators;b. Business Retention Visits;c. New and Expanded Businesses; and,d. RDC Projects	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

Randall Malik
RDC Executive Director

1. Executive Director's Report – February 2016.

EXECUTIVE SUMMARY

This item has been included to provide the Executive Director the opportunity to update the Board on the previous month's activities, contacts, and projects.



Rosenberg Development Corporation Executive Director's Update February 2016

New Home Update

City Housing Starts in 2016:	74
City Housing Starts in February:	56
ETJ Housing Starts in 2016:	34
ETJ Housing Starts in February:	11

Economic Indicators:

Unemployment for January 2016:	4.2%
Non-Adjusted Employment for January 2016:	15,804
Labor Force for January 2016:	16,504
January Sales Tax Receipts (Nov. 2016 sales):	\$1,748,763.21
Percentage Change From Previous Year:	- 3.37%
Annual Sales Tax Receipts for 2015 (Nov. 2015 sales):	\$2,916,275.27
Percentage Change From Previous Year:	- 4.82%

Department Activity

- Coordinated meeting between City Staff and CenterPoint Energy regarding a future community tree planting at Seabourne Creek nature Park.
- Attended Fort Bend Chamber Economic Development Group Meeting.
- Attended Greater Fort Bend EDC Board Meeting.
- Hosted a table at the Rosenberg State of the City Address.
- Participated in Hwy 36A Coalition Board Meeting.
- Attended TxDOT Project Update at Fort Bend Country Club.
- Conducted Retention Visits with Sintex Minerals, OCuSOFT, Seatex, Finnegan Auto Group and Si Environmental.
- Attended Main Street Advisory Board Meeting.
- Attended bi-monthly meeting with Economic Development specialist from CenterPoint Energy.



Projects Update:

Downtown Parking Lot – Jones and Carter has completed the design of the Downtown Parking Lot. Construction Bids for the project will be opened on March 23rd.

Superior Tank – Superior Tank has begun initial site work for their expansion on Bamore Road. Note: The company is expanding its existing 8,000 sf. facility to 54,000 sf. and moving its manufacturing operations from California, which will create about 100 jobs. As a reminder, the RDC has a performance agreement with Superior Tank in which we will contribute up to \$75,000 towards the expansion. We will have additional information on the expansion in the March – “Windshield Report”.

CVS Traffic Signal – The design of the traffic signal for Spacek and reading Road has been approved by the City. CVS is underway with construction of the 14,000 square-foot store at that intersection. The RDC performance agreement requires the RDC to fund half the cost of the traffic signal after its construction and issuance of a building permit to CVS.

Outdoor Event Tent – Staff is working with Parks and Recreation Department and Finance department to facilitate the purchase of the multi-use tent and related equipment.



January 2016 Area Sales Tax Comparisons (Nov. 2015 receipts)

City	Net Payment This Period	Comparable Payment Prior Year	Change	FY15-16 Payments To Date	FY14-15 Payments To Date	Change
Rosenberg	1,748,763.21	1,809,858.66	-3.37%	2,916,275.27	3,063,971.29	-4.82%
Richmond	590,997.88	539,706.33	9.50%	1,064,903.00	951,356.00	11.93%
Fulshear	144,135.96	184,623.28	-21.92%	246,544.13	267,264.63	-7.75%
Houston	67,561,872.96	73,086,640.72	-7.55%	118,594,615.29	125,208,610.89	-5.28%
Humble	1,122,645.79	1,170,444.77	-4.08%	1,122,645.79	1,170,444.77	-4.08%
Katy	1,688,981.22	1,707,506.76	-1.08%	2,811,627.01	2,877,951.53	-2.30%
League City	2,113,154.20	1,914,564.42	10.37%	3,536,106.91	3,184,022.78	11.05%
Missouri City	908,111.10	897,191.83	1.21%	1,564,196.06	1,564,592.76	-0.02%
Pearland	3,297,173.83	3,332,384.36	-1.05%	5,569,839.99	5,457,266.53	2.06%
Sugar Land	6,045,164.81	6,074,086.60	-0.47%	10,235,326.01	10,187,585.37	0.46%
Stafford	1,680,624.03	1,736,137.58	-3.19%	2,928,551.85	3,028,813.92	-3.31%



RDC November Allocation: \$437,190.80



COMMUNICATION FORM

March 10, 2016

ITEM #	ITEM TITLE
9	Future Agenda Items
ITEM/MOTION	
Review and discuss requests for future Agenda items, and take action as necessary.	
APPROVAL	SUPPORTING DOCUMENTS

SUBMITTED BY :

1. None

Randall Malik
RDC Executive Director

EXECUTIVE SUMMARY

This item provides the RDC Board the opportunity to request future Agenda items.

ITEM 10

Announcements.

ITEM 11

Adjournment.