

MURPHY CITY COUNCIL AGENDA
SPECIAL CITY COUNCIL MEETING AND
JOINT WORK SESSION WITH MEDC AND MCDC
AUGUST 9, 2011 AT 6:00 PM
206 NORTH MURPHY ROAD
MURPHY, TEXAS 75094



NOTICE is hereby given of a meeting of the City Council of the City of Murphy, Collin County, State of Texas, to be held on August 9, 2011 at Murphy City Hall for the purpose of considering the following items. Additionally, a joint work session with a quorum of the Murphy Economic Development Corporation and the Murphy Community Development Corporation will be held at this meeting. The City Council of the City of Murphy, Texas, reserves the right to meet in closed session on any of the items listed below should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

CALL TO ORDER

Bret Baldwin
Mayor

INVOCATION & PLEDGE OF ALLEGIANCE

John Daugherty
Mayor Pro Tem

ROLL CALL & CERTIFICATION OF A QUORUM

Colleen Halbert
Deputy Mayor Pro Tem

PUBLIC COMMENTS

PRESENTATIONS

Dennis Richmond
Councilmember

- Presentation of Fiscal Year 2011-2012 Budget to City Council Pursuant to City Charter §7.02.

Scott Bradley
Councilmember

INDIVIDUAL CONSIDERATION

Bernard Grant
Councilmember

Dave Brandon
Councilmember

1. Consider and/or act upon approval of the FY 2012 General and Utility Fund Capital Projects.
2. Consider and/or act upon a Resolution approving the 2011 appraisal roll with a taxable value of \$1,474,146,277 as certified by Bo Daffin, Chief Appraiser of the Collin Central Appraisal District, and a protested taxable property value of \$25,468,692 under review by the Appraisal Review Board.
3. Consider and/or act upon a Resolution establishing two dates, August 30, 2011 and September 6, 2011, at 6 p.m. to conduct a Public Hearing on the City of Murphy proposed tax rate of \$0.5725 per \$100 valuation and establishing two dates, August 30, 2011 and September 6, 2011 at 6 p.m. for a Public Hearing on the proposed 2011-2012 municipal budget.
4. Consider and/ or act upon authorizing the City Manager to initiate Stage 2 of the Drought Contingency and Water Emergency Response Plan (Ordinance No. 11-03-875) to be effective August 15, 2011.
5. Consider and/or act upon approval of projects to be funded by Economic Development Corporation (4A) and Community Development Corporation (4B).

James Fisher
City Manager

CITY MANAGER/STAFF REPORTS

- Aug 16 – Regular Council Meeting
- Aug 18 – CLC Meeting 7:30 am
- Aug 30 – Special Meeting - 1st Public Hearing on Budget/Tax
- Sept 6 –Regular City Council Meeting – 2nd Public Hearing on Budget/Tax

JOINT WORK SESSION

- Discussion regarding combining the 4A Economic Development Board and 4B Community Development Board or convert the 4A into a Municipal Development District.

ADJOURNMENT

I certify that this is a true and correct copy of the Murphy City Council Meeting Agenda and that this notice was posted on the designated bulletin board at Murphy City Hall, 206 North Murphy Road, Murphy, TX 75094; a place convenient and readily accessible to the public at all times, and said notice was posted on August 5, 2011 by 5:00 p.m. and will remain posted continuously for 72 hours prior to the scheduled meeting pursuant to Chapter 551 of the Texas Government Code.

Aimee Nemer, TRMC, MMC
City Secretary

In compliance with the American with Disabilities Act, the City of Murphy will provide for reasonable accommodations for persons attending public meetings at City Hall. Requests for accommodations or interpretive services must be received at least 48 hours prior to the meeting. Please contact the City Secretary at 972.468.4011 or anemer@murphytx.org

Issue

Presentation of Fiscal Year 2011-2012 Budget to City Council Pursuant to City Charter §7.02.

Background

The City Charter requires submission of the Annual Budget for the ensuing fiscal year and an accompanying budget message on or before the tenth day of August of the fiscal year. The proposed General and Utility Fund Budgets were given to City Council at the August 2nd budget workshop for your review. Since that presentation tax revenues for the General Fund were increased by \$97,200, the result of the proposed O&M Tax Rate of \$0.317493 and increased taxable values. General Fund Balance increased by the additional \$97,200 of revenues. All of the capital items and additional personnel have been integrated into the respective departments.

Financial Considerations

The final adoption of the Budget shall constitute the official appropriations as proposed by expenditures for the fiscal year and shall constitute the basis of official levy of the property tax to be assessed and collected for the corresponding fiscal year.

Staff Recommendation

Staff recommends acceptance of the presentation of the Fiscal Year 2011-2012 Budget.

Attachments

- 1) FY 2011-2012 Proposed Budget will be presented to Council at the August 9th Council Meeting.

Linda Truitt, Finance Director
Submitted By

James Fisher, City Manager
Approved by

Issue

Consider and/or act upon approval of the FY 2012 General and Utility Fund Capital Projects.

Background

Staff prepared and presented to City Council a list of Capital Projects for the FY 2012 budget. After much discussion with City Council, staff completed the attached Capital Projects list. This list includes many items that are critical to the operations of the City.

Financial Considerations

General Fund Capital Projects of \$655,750 and Utility Fund Capital Projects of \$21,000 have been included in the FY 2012 budgets.

Staff Recommendation

Staff recommends approval of the FY 2012 General and Utility Fund Capital Projects as presented.

Attachments

1) FY 2012 General and Utility Fund Capital Projects List

Linda Truitt, Finance Director
Submitted By

James Fisher, City Manager
Approved by

**City of Murphy
Proposed Five Year Capital Plan
FY 2012**

		FY2012	Funding Source
Description of item/project			
General Fund			
Facilities	Liner in Pond - carried over from FY 2011	\$ 50,000	General Fund
Police	Volunteer in Policing including equipment (radio, overhead) retro fit car	5,000	General Fund
	New Dispatcher Chairs 1250 x1	800	General Fund
	NCTCOG no longer supports our voice logging system nor will it, via the Commission on State Emergency Communications (CSEC), buy new voice logging systems. Motorola has advised that it will no longer support the current NICE voice logging system since NICE no longer supports our system. We were not informed of this decision until this year. This is the HGC Cooperative Purchasing Price. 24 Channel	18,650	General Fund
	Support for the logging system (18% of purchase price)	3,400	General Fund
	(2) Motorola HH Radios for use by the COP @\$4,500 each with attachments	9,000	General Fund
	VPN (TLETS Requirement) (Secure Highway for data on MDCs) (1/2 of \$9,300 item -- MFD to pay the other half)	4,650	General Fund
	ICS-Extra licenses and support costs for the additional seat licenses for the Mobile Data Computers		General Fund
	*2 additional licenses for additional mobile computers software	7,070	General Fund
	*Additional licenses for IBRS -- report writing module	2,730	General Fund
	*Additional yearly maintenance costs for upkeep of these additions	2,100	General Fund
	Software Upgrades to Brazos Technologies:		General Fund
	Setup & Configure - Criminal Trespass Warning	2,500	General Fund
	Setup & Configure - State Accident Report & Towing Module, plus training	2,500	General Fund
	training	1,500	General Fund
	Accident Reporting License w/1 yr. Maintenance/8x200	1,600	General Fund
	Treadmill for MPD workout room	2,500	General Fund
	Carpports for Police Vehicles - estimate	25,000	General Fund
Fire	Traffic Preemption equipment for 4 intersections - Opticom is currently installed at Murphy and FM544. This would install systems at Heritage and 544, Brand and 544, Hawthorne and Spring Ridge and N Murphy. This completed system should result in lower response times along the major thoroughfares.	42,000	General Fund
	Cardiac Monitors 1 @ 40,000 ea. And addition of 1 new monitor. Presently, the fire department is unable to transmit critical cardiac data to the medical oversight physicians at the hospital. These new monitors will be capable of this data transmission along with allowing our paramedics to keep up with the new standards for cardiac care. These monitors will be placed on a 3 year replacement program at which time we should be able to get dollars on trade for the expiring units. The additional monitor will be placed on the back up ambulance for use on that vehicle or for special events and games. The engine and the current ambulance carry the other two monitors. Current cardiac monitors purchased in 2008 - four replacement program.	45,000	General Fund
	EMS Coordinator Computer	1,100	General Fund
	EMS Coord. Printer	500	General Fund
	Desktop Scanners for Laserfiche (1)	1,000	General Fund
	Wireless Access Points (2) Upstairs and Bay	5,000	General Fund
	VPN licenses (FD portion)	4,650	General Fund
IT	Switch replacement/Virtual LANs (FY 11-12) - IT would replace half of our network switches in FY 11 and the other half in FY 12. Our goal is to segregate, secure, and provide redundant network traffic by implementing VLANS (virtual local area networks). Out of ports - can not grow. No redundancy.	34,500	General Fund
	Microsoft - enterprise Microsoft Office license	30,000	General Fund
	Conversion of Incode to version ten - all data for all modules and training	65,000	General Fund
	Replacement of servers and virtualization in PD. Servers at end of life	29,000	General Fund
	SAN in PD. Will store data.	39,000	General Fund
	Enterprise Wireless-Private- Wireless Access Points would be initially deployed at City Hall and then to other locations based on priority needs.	15,000	General Fund
	Computer/Printer Replacement Program	30,000	General Fund
	Identity Management Solution	20,000	General Fund
Enterprise AntiVirus Solution	10,000	General Fund	

**City of Murphy
Proposed Five Year Capital Plan
FY 2012**

		FY2012	Funding Source
General Fund			
	DNS Management Appliance	15,000	General Fund
	System Management Appliance	15,000	General Fund
	Enterprise Backup- Replace Amazon Jungle Disk and Tape Backup	15,000	General Fund
	Total General Fund Projects	\$ 555,750	
General Fund Vehicle Replacement			
Fire	Administration Captain Vehicle - Administrative Captain is currently driving a pick up truck not suited for emergency response and on scene operations. This is an additional vehicle to the fleet.	70,000	General Fund
Parks and Recreation	1 - Truck replacement 1 F250	30,000	General Fund
	Total General Fund Vehicle Replacement	\$ 100,000	
	Total General Fund Projects with Vehicle Replacement	\$ 655,750	
Utility Fund			
Customer Service	Building Projects Online - online application for permits and payments - scheduling of inspections and reinspections. Status and tracking of permit by internal and external customer - interface with the Incode building project module	6,000	Utility Fund
	Mobile Building and Work Order system - perform building inspections and record all information electronically by using laptop with air card - printing information needed in the field. Utility work orders - recording, accessing of information and complete service orders electronically from the field. Primarily for the purchase of 3 laptops and printers. Real time information available.	15,000	Utility Fund
	Total Utility Fund	\$ 21,000	
	Total Capital	\$ 676,750	

Issue

Consider and/or act upon Resolution approving the 2011 appraisal roll with a taxable value of \$1,474,146,277 as certified by Bo Daffin, Chief Appraiser of the Collin Central Appraisal District, and a protested taxable property value of \$25,468,692 under review by the Appraisal Review Board.

Background

The Collin County Appraisal District is responsible for determining appraised values on all properties located in Collin County. Our taxable values are certified annually by the Chief Appraiser of Collin Central Appraisal District. The Tax Code requires submittal of these certified values to the governing body.

Financial Considerations

The appraisal roll taxable value was certified at \$1,474,146,277 for 2011. The appraisal roll taxable value has increased by \$6,006,173 or 0.41% compared to the certified taxable value of \$1,468,140,104 at July 22, 2010 and does not include properties still under review by the Appraisal Review Board. The protested taxable value for 2011 is \$25,468,692 compared to \$3,786,377 for 2011.

Staff Recommendation

Staff recommends approval of the Resolution.

Attachments

- 1) 2011 Certified Totals
- 2) Certification of 2011 Properties Under Protest
- 3) Resolution

Linda Truitt, Finance Director
Submitted By

James Fisher, City Manager
Approved by

2011 CERTIFIED TOTALS

Property Count: 6,191

CMR - MURPHY CITY
ARB Approved Totals

7/18/2011

2:59:17PM

Land		Value		
Homesite:		319,192,678		
Non Homesite:		92,621,542		
Ag Market:		14,786,275		
Timber Market:		0	Total Land	(+) 426,600,495
Improvement		Value		
Homesite:		1,018,639,484		
Non Homesite:		61,769,867	Total Improvements	(+) 1,080,409,351
Non Real		Count	Value	
Personal Property:		401	33,937,132	
Mineral Property:		0	0	
Autos:		0	0	
			Total Non Real	(+) 33,937,132
			Market Value	= 1,540,946,978
Ag	Non Exempt	Exempt		
Total Productivity Market:	14,786,275	0		
Ag Use:	25,405	0		
Timber Use:	0	0		
Productivity Loss:	14,760,870	0		
			Productivity Loss	(-) 14,760,870
			Appraised Value	= 1,526,186,108
			Homestead Cap	(-) 583,788
			Assessed Value	= 1,525,602,320
Exemption	Count	Local	State	Total
DP	68	3,062,500	0	3,062,500
DV1	30	0	185,000	185,000
DV2	13	0	102,000	102,000
DV3	9	0	82,000	82,000
DV3S	1	0	10,000	10,000
DV4	21	0	96,000	96,000
DV4S	2	0	24,000	24,000
DVHS	14	0	3,238,425	3,238,425
EX	125	0	22,042,470	22,042,470
EX(Prorated)	6	0	12,167	12,167
EX366	26	0	6,399	6,399
OV65	469	22,471,707	0	22,471,707
OV65S	2	100,000	0	100,000
SO	1	23,375	0	23,375
			Total Exemptions	(-) 51,456,043
			Net Taxable	= 1,474,146,277

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
8,328,926.47 = 1,474,146,277 * (0.565000 / 100)

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

2011 CERTIFIED TOTALS

Property Count: 94

CMR - MURPHY CITY
Under ARB Review Totals

7/18/2011

2:59:17PM

Land		Value			
Homesite:		5,338,180			
Non Homesite:		654,080			
Ag Market:		0			
Timber Market:		0		Total Land	(+) 5,992,260
Improvement		Value			
Homesite:		16,798,696			
Non Homesite:		526,440		Total Improvements	(+) 17,325,136
Non Real		Count	Value		
Personal Property:		7	2,251,296		
Mineral Property:		0	0		
Autos:		0	0	Total Non Real	(+) 2,251,296
				Market Value	= 25,568,692
Ag	Non Exempt	Exempt			
Total Productivity Market:	0	0			
Ag Use:	0	0	Productivity Loss	(-)	0
Timber Use:	0	0	Appraised Value	=	25,568,692
Productivity Loss:	0	0	Homestead Cap	(-)	0
			Assessed Value	=	25,568,692
Exemption	Count	Local	State	Total	
OV65	2	100,000	0	100,000	Total Exemptions (-) 100,000
					Net Taxable = 25,468,692

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)

143,898.11 = 25,468,692 * (0.565000 / 100)

Tax Increment Finance Value: 0

Tax Increment Finance Levy: 0.00

2011 CERTIFIED TOTALS

Property Count: 6,285

CMR - MURPHY CITY

Grand Totals

7/18/2011

2:59:17PM

Land		Value			
Homesite:		324,530,858			
Non Homesite:		93,275,622			
Ag Market:		14,786,275			
Timber Market:		0	Total Land	(+) 432,592,755	
Improvement		Value			
Homesite:		1,035,438,180			
Non Homesite:		62,296,307	Total Improvements	(+) 1,097,734,487	
Non Real		Count	Value		
Personal Property:	408	36,188,428			
Mineral Property:	0	0			
Autos:	0	0	Total Non Real	(+) 36,188,428	
			Market Value	= 1,566,515,670	
Ag		Non Exempt	Exempt		
Total Productivity Market:	14,786,275	0			
Ag Use:	25,405	0	Productivity Loss	(-) 14,760,870	
Timber Use:	0	0	Appraised Value	= 1,551,754,800	
Productivity Loss:	14,760,870	0			
			Homestead Cap	(-) 583,788	
			Assessed Value	= 1,551,171,012	
Exemption	Count	Local	State	Total	
DP	68	3,062,500	0	3,062,500	
DV1	30	0	185,000	185,000	
DV2	13	0	102,000	102,000	
DV3	9	0	82,000	82,000	
DV3S	1	0	10,000	10,000	
DV4	21	0	96,000	96,000	
DV4S	2	0	24,000	24,000	
DVHS	14	0	3,238,425	3,238,425	
EX	125	0	22,042,470	22,042,470	
EX(Prorated)	6	0	12,167	12,167	
EX366	26	0	6,399	6,399	
OV65	471	22,571,707	0	22,571,707	
OV65S	2	100,000	0	100,000	
SO	1	23,375	0	23,375	
					Total Exemptions (-) 51,556,043
					Net Taxable = 1,499,614,969

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
8,472,824.57 = 1,499,614,969 * (0.565000 / 100)

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

2011 CERTIFIED TOTALS

Property Count: 6,191

CMR - MURPHY CITY
ARB Approved Totals

7/18/2011

2:59:43PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	5,347		\$21,314,950	\$1,322,273,455
C	VACANT LOT	63		\$0	\$12,004,046
D1	QUALIFIED AG LAND	30	197.2931	\$0	\$14,786,275
D2	NON-QUALIFIED LAND	26	206.7860	\$0	\$13,855,955
E	FARM OR RANCH IMPROVEMENT	16		\$0	\$2,170,912
F1	COMMERCIAL REAL PROPERTY	45		\$1,525,120	\$98,815,991
F2	INDUSTRIAL REAL PROPERTY	5		\$0	\$7,377,886
J2	GAS DISTRIBUTION SYSTEM	2		\$0	\$1,053,137
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	5		\$0	\$3,479,789
J4	TELEPHONE COMPANY (INCLUDING CO-O	26		\$0	\$5,159,014
J6	PIPELAND COMPANY	1		\$0	\$45,309
J7	CABLE TELEVISION COMPANY	2		\$0	\$158,020
L1	COMMERCIAL PERSONAL PROPERTY	336		\$121,014	\$24,418,185
O	RESIDENTIAL INVENTORY	180		\$4,528,594	\$13,193,041
S	SPECIAL INVENTORY TAX	5		\$0	\$107,094
X	TOTALLY EXEMPT PROPERTY	151		\$0	\$22,048,869
	Totals		404.0791	\$27,489,678	\$1,540,946,978

2011 CERTIFIED TOTALS

Property Count: 94

CMR - MURPHY CITY
Under ARB Review Totals

7/18/2011

2:59:43PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	82		\$55,405	\$22,143,411
C	VACANT LOT	4		\$0	\$103,415
F1	COMMERCIAL REAL PROPERTY	1		\$0	\$1,070,570
J4	TELEPHONE COMPANY (INCLUDING CO-O	1		\$0	\$10,143
J7	CABLE TELEVISION COMPANY	1		\$0	\$1,800,181
L1	COMMERCIAL PERSONAL PROPERTY	5		\$100,000	\$440,972
		Totals	0.0000	\$155,405	\$25,568,692

2011 CERTIFIED TOTALS

Property Count: 6,285

CMR - MURPHY CITY

Grand Totals

7/18/2011

2:59:43PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	5,429		\$21,370,355	\$1,344,416,866
C	VACANT LOT	67		\$0	\$12,107,461
D1	QUALIFIED AG LAND	30	197.2931	\$0	\$14,786,275
D2	NON-QUALIFIED LAND	26	206.7860	\$0	\$13,855,955
E	FARM OR RANCH IMPROVEMENT	16		\$0	\$2,170,912
F1	COMMERCIAL REAL PROPERTY	46		\$1,525,120	\$99,886,561
F2	INDUSTRIAL REAL PROPERTY	5		\$0	\$7,377,886
J2	GAS DISTRIBUTION SYSTEM	2		\$0	\$1,053,137
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	5		\$0	\$3,479,789
J4	TELEPHONE COMPANY (INCLUDING CO-O	27		\$0	\$5,169,157
J6	PIPELAND COMPANY	1		\$0	\$45,309
J7	CABLE TELEVISION COMPANY	3		\$0	\$1,958,201
L1	COMMERCIAL PERSONAL PROPERTY	341		\$221,014	\$24,859,157
O	RESIDENTIAL INVENTORY	180		\$4,528,594	\$13,193,041
S	SPECIAL INVENTORY TAX	5		\$0	\$107,094
X	TOTALLY EXEMPT PROPERTY	151		\$0	\$22,048,869
	Totals		404.0791	\$27,645,083	\$1,566,515,670

2011 CERTIFIED TOTALS

Property Count: 6,285

CMR - MURPHY CITY
Effective Rate Assumption

7/18/2011

2:59:43PM

New Value

TOTAL NEW VALUE MARKET:	\$27,645,083
TOTAL NEW VALUE TAXABLE:	\$27,645,083

New Exemptions

Exemption	Description	Count		
EX	TOTAL EXEMPTION	10	2010 Market Value	\$1,827,206
EX366	HOUSE BILL 366	6	2010 Market Value	\$2,635
ABSOLUTE EXEMPTIONS VALUE LOSS				\$1,829,841

Exemption	Description	Count	Exemption Amount
DP	DISABILITY	3	\$150,000
DV3	Disabled Veterans 50% - 69%	1	\$10,000
DV4	Disabled Veterans 70% - 100%	4	\$0
DVHS	Disabled Veteran Homestead	4	\$1,026,732
OV65	OVER 65	57	\$2,825,000
PARTIAL EXEMPTIONS VALUE LOSS		69	\$4,011,732
TOTAL EXEMPTIONS VALUE LOSS			\$5,841,573

New Ag / Timber Exemptions**New Annexations****New Deannexations****Average Homestead Value**

Category A and E

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,638	\$254,373	\$126	\$254,247
Category A Only			

Count of HS Residences	Average Market	Average HS Exemption	Average Taxable
4,632	\$254,431	\$126	\$254,305

Lower Value Used

Count of Protested Properties	Total Market Value	Total Value Used
94	\$25,568,692.00	\$24,223,905



Collin Central Appraisal District

PROPERTY TAX CODE, SECTION 26.01(a)

CERTIFICATION OF 2011 APPRAISAL ROLL

FOR: MURPHY CITY

I, Bo Daffin, Chief Appraiser for the Collin Central Appraisal District, solemnly swear that the attached is that portion of the approved Appraisal Records of the Collin Central Appraisal District which lists property taxable by MURPHY CITY and constitutes the appraisal roll for MURPHY CITY with the amounts listed on the attached totals pages, with the heading "2011 Certified Totals".



Signature of Chief Appraiser

July 17, 2011
Date

Note: Approval of the appraisal records by the Collin Central Appraisal District Appraisal Review Board recorded on July 15, 2011.

PROPERTY TAX CODE, SECTION 26.01(c)

CERTIFICATION OF 2011 PROPERTIES UNDER PROTEST AND NOT INCLUDED IN CERTIFIED ROLL ABOVE

FOR: MURPHY CITY

I, Bo Daffin, Chief Appraiser for the Collin Central Appraisal District, solemnly swear that the attached is that portion of the Appraisal Records of the Collin Central Appraisal District which lists property taxable by MURPHY CITY but NOT included on the appraisal roll for MURPHY CITY, since these properties are currently under Protest. The protested property values are listed on the attached totals pages, with the subheading "Under ARB Review Totals".

If there are no attached pages labeled with the subheading "Under ARB Review Totals" then all protests within the MURPHY CITY were completed by July 15, 2011 and included in the Certified Roll listed above.



Signature of Chief Appraiser

July 17, 2011
Date

**NOTE: Please be advised that the property values appearing on the 'Under ARB Review Totals' page in your certified totals packet reflect the current 2011 Market and Taxable Values for the properties Under ARB Review without any Section 26.01(c) adjustments. In order to arrive at the taxable value to use for the effective tax rate calculations for your entity, you will need to use the taxable value from the 'ARB Approved Totals' page, along with the 'Total Value Used' that appears in the Lower Value Used section on the Effective Rate Assumption page. The Total Value Used on the Effective Rate Assumption page is the taxable value Under ARB Review that has been adjusted in accordance with Property Tax Code, Section 26.01(c). The 'Grand Totals' page is the combined 'ARB Approved Totals' plus the 'Under ARB Review Totals' – which have not been adjusted.*

CC: COLLIN COUNTY TAX OFFICE

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, CONCERNING THE APPROVAL OF THE 2011 APPRAISAL ROLL WITH A TAXABLE VALUE OF \$1,474,146,277 AS CERTIFIED BY BO DAFFIN, CHIEF APPRAISER OF THE COLLIN CENTRAL APPRAISAL DISTRICT AND A PROTESTED TAXABLE VALUE OF \$25,468,692 UNDER REVIEW BY THE APPRAISAL REVIEW BOARD.

WHEREAS The City of Murphy has an increase in appraised values for the 2011 tax year,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURPHY, COLLIN COUNTY, TEXAS AS FOLLOWS:

SECTION 1. The Tax Code requires submittal of the appraisal roll with taxable values to the governing body.

SECTION 2. The City Council approves the certified appraisal roll with taxable values in the amount of \$1,474,146,277 and protested taxable values in the amount of \$25,468,692 under review by the Appraisal Review Board and instructs the Tax Assessor to apply the tax rate, when approved, thereby creating the 2011 tax roll for the City of Murphy.

DULY RESOLVED by the City Council of the City of Murphy, Collin County, Texas on this 9th day of August, 2011.

APPROVED:

BRET M. BALDWIN, Mayor

ATTEST:

AIMEE NEMER, City Secretary

Issue

Consider and/or act upon a resolution establishing two dates, August 30, 2011 and September 6, 2011, at 6 pm, to conduct a Public Hearing on the City of Murphy proposed tax rate of \$0.5725 per \$100 valuation and establishing two dates, August 30, 2011 and September 6, 2011 at 6 pm, for a Public Hearing on the proposed 2011-2012 municipal budget.

Background

The Texas Local Government Code and City of Murphy Charter requires the governing body to conduct two public hearing on the proposed tax rate and one public hearing on the proposed budget. The proposed tax rate for FY 2012 is \$0.5725 which is comprised of the maintenance and operations rate of \$0.317493 and \$0.255007 for debt service, an increase of \$0.0075 from prior tax rate

Financial Considerations

N/A

Staff Recommendation

Staff recommends approval of the resolution establishing two dates, August 30, 2011 and September 6, 2011 at 6 pm, to conduct a Public Hearing on the City of Murphy proposed tax rate of \$0.5725 per \$100 valuation and establishing two dates, August 30, 2011 and September 6, 2011 at 6 pm, for a Public Hearing on the proposed 2011-2012 municipal budget.

Attachments

- 1) Proposed Resolution
- 2) Effective Tax Rate Calculation
- 3) Rollback Tax Rate Calculation
- 4) Notice of Public Hearing on Tax Rate
- 5) Notice of Public Hearing on Budget
- 6) Notice of Property Tax Rate
- 7) Certification Letter regarding anticipated collection rate of 2010 Taxes

Linda Truitt, Finance Director
Submitted By

James Fisher, City Manager
Approved by

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, ESTABLISHING TWO DATES TO CONDUCT PUBLIC HEARINGS ON THE MUNICIPAL TAX RATE AND PUBLIC HEARINGS ON THE PROPOSED MUNICIPAL BUDGET FOR FISCAL YEAR 2011-2012.

WHEREAS, chapter 102 of the Texas Local Government Code requires the City Council of the City of Murphy, Texas to conduct a public hearing on the proposed 2011-2012 municipal budget; and

WHEREAS, section 7.05 of the City of Murphy, Texas Home-Rule Charter requires the City Council to conduct a public hearing on the proposed 2011-2012 municipal budget; and

WHEREAS, chapter 26 of the Texas Tax Code, as amended by the Texas Legislature in the 79th Legislative Session, requires the City of Murphy, Texas, to conduct two public hearings on the proposed 2011-2010 municipal property tax rate.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURPHY, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct findings of the City of Murphy, Texas, and are fully incorporated into the body of this resolution.

Section 2. That the City Council of the City of Murphy, Texas will conduct the first public hearing on the \$0.5725 proposed municipal tax rate and proposed municipal budget for fiscal year 2011-2012 on Tuesday, August 30, 2011 at 6:00 p.m. at 206 North Murphy Road, in Murphy, Texas.

Section 3. That the City Council of the City of Murphy, Texas will conduct the second public hearing on the \$0.5725 proposed municipal tax rate and the proposed municipal budget for fiscal year 2011-2012 on Tuesday, September 6, 2011 at 6:00 p.m. at 206 North Murphy Road, in Murphy, Texas.

Section 4. That the City Secretary and other City personnel are hereby authorized to post all notices and publish all notices in the official newspaper of the City of Murphy, Texas, concerning the municipal budget, municipal tax rate and public hearings as required by state law and the City Charter.

Section 5. This resolution shall become effective from and after its passage.

DULY RESOLVED by the City Council of the City of Murphy, Texas, on this the 9th day of August, 2011.

Bret M. Baldwin, Mayor
City of Murphy

ATTEST:

Aimee Nemer, City Secretary
City of Murphy

2011 Property Tax Rates in City of Murphy

This notice concerns the 2011 property tax rates for City of Murphy. It presents information about three tax rates. Last year's tax rate is the actual tax rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers start rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

Last year's operating taxes	\$4,668,460
Last year's debt taxes	\$3,640,711
Last year's total taxes	\$8,309,171
Last year's tax base	\$1,470,649,735
Last year's total tax rate	\$0.565000/\$100

This year's effective tax rate:

Last year's adjusted taxes (after subtracting taxes on lost property)	\$8,276,166
÷ This year's adjusted tax base (after subtracting value of new property)	\$1,470,725,099
=This year's effective tax rate	\$0.562726/\$100

(Maximum rate unless unit publishes notices and holds hearings.)

This year's rollback tax rate:

Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent healthcare expenditures)	\$4,650,413
÷ This year's adjusted tax base	\$1,470,725,099
=This year's effective operating rate	\$0.316199/\$100
x 1.08=this year's maximum operating rate	\$0.341494/\$100
+ This year's debt rate	\$0.255007/\$100
= This year's total rollback rate	\$0.596501/\$100

Statement of Increase/Decrease

If City of Murphy adopts a 2011 tax rate equal to the effective tax rate of \$0.562726 per \$100 of value, taxes would increase compared to 2010 taxes by \$122,548.

Schedule A - Unencumbered Fund Balance

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

Type of Property Tax Fund	Balance
Maintenance & Operations	1,500,000
Interest & Sinking	900,000

Schedule B - 2011 Debt Service

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

Description of Debt	Principal or Contract Payment to be Paid from Property Taxes	Interest to be Paid from Property Taxes	Other Amounts to be Paid	Total Payment
2001 Series CO	180,000	13,300	0	193,300
2001 GO Refund	100,000	2,188	0	102,188
2002 Series CO	170,000	40,355	0	210,355
2002A Series CO	235,000	106,141	0	341,141
2003 Series CO	310,000	191,206	0	501,206
2004 Series CO	450,000	336,150	0	786,150
2009 Series CO	240,000	34,500	0	274,500
2009 Series GO	405,000	282,238	0	687,238
2010 Series GO	180,000	165,661	0	345,661
2010 Tax Notes	150,000	19,013	0	169,013
2011 Series GO	0	360,208	0	360,208

Total required for 2011 debt service

\$3,970,960

- Amount (if any) paid from Schedule A	\$150,000
- Amount (if any) paid from other resources	\$0
- Excess collections last year	\$0
= Total to be paid from taxes in 2011	\$3,820,960
+ Amount added in anticipation that the unit will collect only 100.00% of its taxes in 2011	\$0
= Total debt levy	\$3,820,960

This notice contains a summary of actual effective and rollback tax rates' calculations. You can inspect a copy of the full calculations at 2300 Bloomdale Road, Suite 2366, McKinney, TX 75071.

Name of person preparing this notice: Kenneth L. Maun
Title: Tax Assessor Collector
Date Prepared: 07/28/2011

2011 Effective Tax Rate Worksheet

City of Murphy

Date: 07/28/2011

See Chapter 2 of the Texas Comptroller's 2011 Manual for Taxing Units Other than Schools for an explanation of the effective tax rate.

1. 2010 total taxable value. Enter the amount of 2010 taxable value on the 2010 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 14).	\$1,468,408,945
2. 2010 tax ceilings. Counties, cities and junior college districts. Enter 2010 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter 0. If your taxing units adopted the tax ceiling provision in 2010 or a prior year for homeowners age 65 or older or disabled, use this step.	\$0
3. Preliminary 2010 adjusted taxable value. Subtract Line 2 from Line 1.	\$1,468,408,945
4. 2010 total adopted tax rate.	\$0.565000/\$100
5. 2010 taxable value lost because court appeals of ARB decisions reduced 2010 appraised value. A. Original 2010 ARB Values.	\$6,900,000
B. 2010 values resulting from final court decisions.	\$5,900,000
C. 2010 value loss. Subtract B from A.	\$1,000,000
6. 2010 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 5C.	\$1,469,408,945
7. 2010 taxable value of property in territory the unit deannexed after Jan. 1, 2010. Enter the 2010 value of property in deannexed territory.	\$0
8. 2010 taxable value lost because property first qualified for an exemption in 2011. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost to freeport or "goods-in-transit" exemptions.	
A. Absolute exemptions. Use 2010 market value:	\$1,829,841
B. Partial exemptions. 2011 exemption amount or 2011 percentage exemption times 2010 value:	\$4,011,732
C. Value loss. Add A and B.	\$5,841,573
9. 2010 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2011. Use only properties that qualified for the first time in 2011; do not use properties that qualified in 2010.	
A. 2010 market value:	\$0
B. 2011 productivity or special appraised value:	\$0
C. Value loss. Subtract B from A.	\$0

10. Total adjustments for lost value. Add lines 7, 8C and 9C.	\$5,841,573
11. 2010 adjusted taxable value. Subtract Line 10 from Line 6.	\$1,463,567,372
12. Adjusted 2010 taxes. Multiply Line 4 by line 11 and divide by \$100.	\$8,269,155
13. Enter the amount of taxes refunded during the last budget year for tax years preceding tax year 2010. Enter the amount of taxes refunded during the last budget year for taxes preceding tax year 2010. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2010. This line applies only to tax years preceding tax year 2010.	\$7,011
14. Taxes in tax increment financing (TIF) for tax year 2010. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2011 captured appraised value in Line 16D, enter 0.	\$0
15. Adjusted 2010 taxes with refunds and TIF adjustment. Add Lines 12 and 13, subtract Line 14.	\$8,276,166
16. Total 2011 taxable value on the 2011 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 18). These homesteads include homeowners age 65 or older or disabled.	
A. Certified values	\$1,474,146,277
B. Counties: Include railroad rolling stock values certified by the Comptroller's office:	\$0
C. Pollution control exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control property (use this Line based on attorney's advice):	\$0
D. Tax increment financing: Deduct the 2011 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2011 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 21 below.	\$0
E. Total 2011 value. Add A and B, then subtract C and D.	\$1,474,146,277
17. Total value of properties under protest or not included on certified appraisal roll.	
A. 2011 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.	\$24,223,905
B. 2011 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.	\$0
C. Total value under protest or not certified: Add A and B.	\$24,223,905
18. 2011 tax ceilings. Enter 2011 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0." If	\$0

your taxing units adopted the tax ceiling provision in 2010 or a prior year for homeowners age 65 or older or disabled, use this step.	
19. 2011 total taxable value. Add Lines 16E and 17C. Subtract Line 18.	\$1,498,370,182
20. Total 2011 taxable value of properties in territory annexed after Jan. 1, 2010. Include both real and personal property. Enter the 2011 value of property in territory annexed.	\$0
21. Total 2011 taxable value of new improvements and new personal property located in new improvements. "New" means the item was not on the appraisal roll in 2010. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the unit after Jan. 1, 2009, and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2011.	\$27,645,083
22. Total adjustments to the 2011 taxable value. Add Lines 20 and 21.	\$27,645,083
23. 2011 adjusted taxable value. Subtract Line 22 from Line 19.	\$1,470,725,099
24. 2011 effective tax rate. Divide Line 15 by Line 23 and multiply by \$100.	\$0.562726/\$100
25. COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2011 county effective tax rate.	

A county, city or hospital district that adopted the additional sales tax in November 2010 or in May 2011 must adjust its effective tax rate. The Additional Sales Tax Rate Worksheet (Appendix 4) on page 35 of the Texas Comptroller's 2011 Truth-in-Taxation Manual sets out this adjustment. Do not forget to complete the Additional Sales Tax Rate Worksheet if the taxing unit adopted the additional sales tax on these dates.

2011 Additional Rollback Tax Rate Worksheet

City of Murphy

Date: 07/28/2011

See Chapter 3 of the Texas Comptroller's 2011 Manual for Taxing Units Other than School Districts for an explanation of the rollback tax rate.

26. 2010 maintenance and operations (M&O) tax rate.	\$0.317442/\$100
27. 2010 adjusted taxable value. Enter the amount from Line 11.	\$1,463,567,372
28. 2010 M&O taxes.	
A. Multiply Line 26 by Line 27 and divide by \$100.	\$4,645,977
B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2010. Enter amount from full year's sales tax revenue spent for M&O in 2010 fiscal year, if any. Other units enter 0. Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent.	\$0
C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other units enter "0."	\$0
D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the unit discontinuing the function in the 12 months preceding the month of this calculation. If the unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the unit operated the function. The unit discontinuing the function will subtract this amount in H below. The unit receiving the function will add this amount in H below. Other units enter 0.	\$0
Enter a negative value if discontinuing a function, or enter a positive value if receiving the function.	
E. Taxes refunded for years preceding tax year 2010: Enter the amount of M&O taxes refunded during the last budget year for tax years preceding tax year 2010. Types of refunds include court decisions, Section 25.25(b) and (c) corrections and Section 31.11 payment errors. Do not include refunds for tax year 2010. This line applies only to tax years preceding tax year 2010.	\$4,436
F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance.	\$0
G. Taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2011 captured appraised value in Line 16D, enter 0.	\$0
H. Adjusted M&O Taxes. Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G.	\$4,650,413
29. 2011 adjusted taxable value. Enter Line 23 from the Effective Tax Rate Worksheet.	\$1,470,725,099

30. 2011 effective maintenance and operations rate. Divide Line 28H by Line 29 and multiply by \$100.	\$0.316199/\$100
31. 2011 rollback maintenance and operation rate. Multiply Line 30 by 1.08.	\$0.341494/\$100
32. Total 2011 debt to be paid with property taxes and additional sales tax revenue. "Debt" means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the taxing unit's budget as M&O expenses A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue (or additional sales tax revenue). Do not include appraisal district budget payments. List the debt in Schedule B: Debt Service. B. Subtract unencumbered fund amount used to reduce total debt. C. Adjusted debt. Subtract B from A.	\$3,970,960 \$150,000 \$3,820,960
33. Certified 2010 excess debt collections. Enter the amount certified by the collector.	\$0
34. Adjusted 2011 debt. Subtract Line 33 from Line 32C.	\$3,820,960
35. Certified 2011 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.00%
36. 2011 debt adjusted for collections. Divide Line 34 by Line 35	\$3,820,960
37. 2011 total taxable value. Enter the amount on Line 19.	\$1,498,370,182
38. 2011 debt tax rate. Divide Line 36 by Line 37 and multiply by \$100.	\$0.255007/\$100
39. 2011 rollback tax rate. Add Lines 31 and 38.	\$0.596501/\$100
40. COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2011 county rollback tax rate.	

A taxing unit that adopted the additional sales tax must complete the lines for the Additional Sales Tax Rate. A taxing unit seeking additional rollback protection for pollution control expenses completes the Additional Rollback Protection for Pollution Control.

Notice of Public Hearing on Tax Increase

The City of Murphy will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 1.74 percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on August 30, 2011 at 6:00 PM at City of Murphy Council Chambers, 206 N. Murphy Road, Murphy, Texas 75094.

The second public hearing will be held on September 6, 2011 at 6:00 PM at City of Murphy Council Chambers, 206 N. Murphy Road, Murphy, Texas 75094.

The members of the governing body voted on the proposal to consider the tax increase as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

The average taxable value of a residence homestead in City of Murphy last year was \$251,437. Based on last year's tax rate of \$0.565000 per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$1,420.62.

The average taxable value of a residence homestead in City of Murphy this year is \$254,373. If the governing body adopts the effective tax rate for this year of \$0.562726 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$1,431.42.

If the governing body adopts the proposed tax rate of \$0.572500 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$1,456.29.

Members of the public are encouraged to attend the hearings and express their views.

NOTICE OF PUBLIC HEARING
CITY OF MURPHY
PROPOSED OPERATING BUDGET FISCAL YEAR 2011-2012

The City of Murphy will conduct a Public Hearing on the Proposed Operating Budget for the fiscal year 2011-2012 on Monday, August 30, 2011 at 6:00 p.m. and on Tuesday, September 6, 2011 at 6:00 p.m. at the Murphy Municipal Complex, City Council Chambers, 206 North Murphy Road, Murphy, Texas 75094.

This budget will raise more total property taxes than last year's budget by \$268,998, or 3.24%, and of that amount \$158,268 is tax revenue to be raised from new property added to the roll this year.

You have a right to attend the Public Hearing and make comments. A copy of the proposed budget is on file with the City Secretary's Office located at 206 North Murphy Road, Murphy, Texas 75094. It is also available on the City's website at www.murphytx.org.

Dated this 9th day of August, 2011.

Linda Truitt
Finance Director
City of Murphy, Texas



**KENNETH L. MAUN
TAX ASSESSOR COLLECTOR**

COLLIN COUNTY
2300 Bloomdale, Suite 2366
P.O. Box 8006
McKinney, TX 75070-8006
(972) 547-5020
METRO (972) 424-1460 ext. 5020
FAX (972) 547-5040
Email: kmaun@collincountytexas.gov

July 20, 2011

Bret Baldwin, Mayor
City of Murphy
206 North Murphy Street
Murphy, TX 75094

Dear Mayor Bret Baldwin,

In accordance with Texas Property Tax Code, Section 26.04, I hereby certify that:

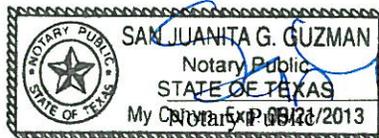
The anticipated collection rate for 2011 will be 100%.

There were no excess debt collections for 2010, as the anticipated collection rate for 2010 was 100%, and collections exceeded that amount.

I, Kenneth L. Maun, Tax Assessor Collector of Collin County, hereby certify that the above statements are true and correct to the best of my knowledge.

Kenneth L. Maun
Tax Assessor Collector

Subscribed to and sworn before me this twentieth day of July, 2011.



Cc: Linda Truitt, Finance Director
James Fisher, City Manager

Issue

Consider and/or act upon authorizing the City Manager to initiate Stage 2 of the Drought Contingency and Water Emergency Response Plan (Ordinance No. 11-03-875) to be effective August 15, 2011.

Background

Initiation and Termination Conditions for Stage 2

- The NTMWD has initiated Stage 2, which may be initiated due to one or more of the following:
 - The NTMWD Executive Director, with the concurrence of the NTMWD Board of Directors, finds that conditions warrant the declaration of Stage 2.
 - Water demand is projected to approach the limit of the permitted supply.
 - The storage in Lavon Lake is less than 55 percent of the total conservation pool capacity.
 - NTMWD's storage in Jim Chapman Lake is less than 55 percent of NTMWD's total conservation pool capacity.
 - The Sabine River Authority has indicated that its Upper Basin water supplies used by NTMWD (Lake Tawakoni and/or Lake Fork) are in a Mild drought.
 - NTMWD has concern that Lake Texoma, the East Fork Raw Water Supply Project, or some other NTMWD source may be limited in availability in the next 3 months.
 - NTMWD water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.
 - NTMWD water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
 - NTMWD's supply source becomes contaminated.
 - NTMWD's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's water demand exceeds 95 percent of the amount that can be delivered to customers for three consecutive days.
- City's water demand for all or part of the delivery system equals delivery capacity because delivery capacity is inadequate.
- Supply source becomes contaminated.
- City's water supply system is unable to deliver water due to the failure or damage of major water system components.
- City's individual plan may be implemented if other criteria dictate.

Stage 2 may terminate when NTMWD terminates its Stage 2 condition or when the circumstances that caused the initiation of Stage 2 no longer prevail.

Goal for Use Reduction and Actions Available under Stage 2

The goal for water use reduction under Stage 2 is a five percent reduction in the amount of water produced by NTMWD. If circumstances warrant or if required by NTMWD, the City Manager, or official designee can set a goal for greater water use reduction. The City Manager, or official designee may order the implementation of any of the actions listed below, as deemed necessary. Measures described as “requires notification to TCEQ” impose mandatory requirements on customers. The City must notify TCEQ and NTMWD within five business days if these measures are implemented:

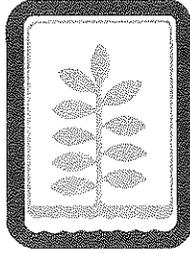
- Continue or initiate any actions available under Stage 1.
- Initiate engineering studies to evaluate alternatives should conditions worsen.
- Further accelerate public education efforts on ways to reduce water use.
- Halt non-essential city government water use. (Examples include street cleaning, vehicle washing, operation of ornamental fountains, etc.)
- Encourage the public to wait until the current drought or emergency situation has passed before establishing new landscaping.
- **Requires Notification to TCEQ** – Limit landscape watering with sprinklers or irrigation systems to no more than two days per week. An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the date of the certificate of occupancy. An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems, which do not have restrictions to the number of days per week of operation.
- **Requires Notification to TCEQ** – Restrict landscape and lawn irrigation from 10 AM to 6 PM beginning April 1 through October 31 of each year.
- **Requires Notification to TCEQ** – Prohibit planting of cool season grasses (such as rye grass or other similar grasses) that intensify cool season water requirements.

Attachments

- 1) Correspondence from NTMWD
- 2) DRAFT letter to utility customers

James Fisher, City Manager

Submitted By



RECEIVED

AUG - 3 2011

City Manager's Office

**NORTH TEXAS MUNICIPAL
WATER DISTRICT**

Regional Service Through Unity

August 1, 2011

Mr. James Fisher
City Manager
City of Murphy
206 N. Murphy Road
Murphy, TX 75094

Re: NTMWD Water Conservation and Drought Contingency and Water Emergency Response Plan – Stage 2

Dear Mr. Fisher:

The North Texas Municipal Water District (NTMWD) is initiating Stage 2 of the *NTMWD Water Conservation and Drought Contingency and Water Emergency Response Plan, March 2008, (Plan)* effective August 1, 2011.

Stage 2 of the *NTMWD Water Conservation and Drought Contingency and Water Emergency Response Plan (March 2008)* is being implemented effective today, with concurrence of the NTMWD Board of Directors, as a result of several conditions that warrant the reduction of treated water use. These conditions are:

- Loss of the Lake Texoma raw water supply by NTMWD due to presence of invasive zebra mussels
- NTMWD's remaining share of the Jim Chapman raw water supply is at 47%
- Water demand is approaching the treatment capacity of approximately 690 million gallons per day (MGD). The treatment plant capacity has been reduced from 770 MGD as a result of the ongoing ozonation construction project at the water treatment plant.

Initiation of Stage 2 is intended to raise public awareness of potential drought contingency and water emergency problems. The goal for water use reduction under Stage 2 is a 5% reduction in the use that would have occurred in the absence of drought contingency and water emergency response measures.

Mr. James Fisher
Page 2
August 1, 2011

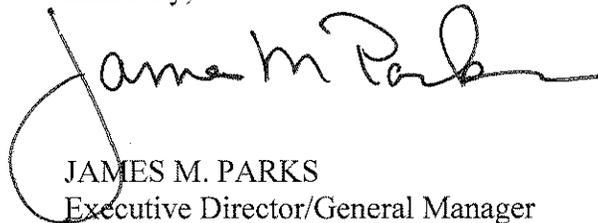
The NTMWD Executive Director is requesting that Member Cities and Customers implement the following water conservation strategies:

- Continue or initiate any actions available under Stage 1
- Initiate Stage 2 of drought contingency and water emergency response plans no later than August 19, 2011
- Initiate engineering studies to evaluate alternative actions if conditions worsen
- Further accelerate public education efforts on ways to reduce water use
- Halt non-essential water use not supplied from treated wastewater effluent
- Encourage the public to wait until the current drought or water emergency situation has passed before establishing new landscaping
- Limit landscape watering with sprinklers or irrigation systems to no more than two days per week
 - An exception is allowed for landscape associated with new construction that may be watered as necessary for 30 days from the date of the certificate of occupancy
 - An exemption is also allowed for registered and properly functioning ET/Smart irrigation systems and drip irrigation systems, which do not have restrictions to the number of days per week of operation
- Restrict landscape and lawn irrigation from 10:00 a.m. to 6:00 p.m. beginning April 1 and ending October 31 of each year
- Prohibit planting of cool season grasses (such as rye grass or other similar grasses) that intensify cool season water requirements

Extending the water supply during this water emergency period through the efficient use of our existing water resources is crucial to meeting the long-term water needs of the Member Cities and Customers.

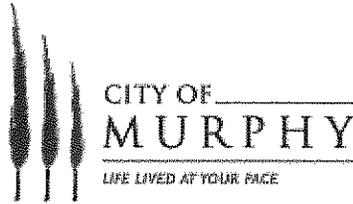
Should you need additional information or have questions, please do not hesitate to contact Mike Rickman or my office directly at 972.442.5405 or by e-mail at mrickman@ntmwd.com or jparks@ntmwd.com.

Sincerely,



JAMES M. PARKS
Executive Director/General Manager

DRAFT



Dear Murphy Resident/Water Utility Customer:

A revision to Murphy's Restrictions will be effective on August 15, 2011. The new schedule was developed to allow water customers to irrigate their landscape twice per week. The City will still continue however, to enforce all of the other requirements of Stage 2 Water Restriction guidelines. Please review the new allowed watering times below.

The following summarizes the water restrictions in effect under Stage 2 for residential and business customers regarding automatic irrigation.

Irrigation of existing landscape areas with hose-end sprinklers or automatic irrigation systems is limited to the following schedule based on the last digit of the address:

Street address ending in an odd number (1, 3, 5, 7, 9)

Wednesday watering time:

1:00 AM to 8:00 AM and 6:00 PM to 12:00 PM

Saturday watering time:

1:00 AM to 8:00 AM and 6:00 PM to 12:00 PM

Street address ending in an even number (0, 2, 4, 6, 8)

Thursday watering time:

1:00 AM to 8:00 AM and 6:00 PM to 12:00 PM

Sunday watering time:

1:00 AM to 8:00 AM and 6:00 PM to 12:00 PM

Public Schools, FM 544 Business District Area, City, HOA entries/medians

Friday watering time:

12:01 AM to 8:00 AM and 6:00 PM to 12:00 PM

Monday watering time:

12:01 AM to 8:00 AM and 6:00 PM to 12:00 PM

DRAFT

The use of automatic irrigation is prohibited on any other day other than your designated schedule above. However, you can water by means of hand-held hoses on any day, at any time.

The watering days have been changed to be consistent with Stage 1 of the City of Murphy Drought Contingency Plan.

Common areas within subdivisions owned and maintained by a Homeowners Association are being recognized as **even number addresses** and may only water on Thursdays and Sundays during the watering times listed above.

For questions about Stage 2 or to get a copy of City of Murphy's Drought Contingency Plan, please visit City Hall, call **972-468-4000** or go to the City of Murphy website at <http://www.murphytx.org>.

Thank you for your continued support of water conservation.

STAGE 2

Frequently Asked Questions

How often can I water?

You can water twice-a-week with an automatic irrigation system or hose-end sprinkler on your designated watering days. *Watering is prohibited any other day except your designated days and times.* You can water any day of the week at any time by hand with a either a hand-held hose or a watering can. A drip-style soaker hose, lying on the ground, can also be used.

How often can I water the foundation of my house?

Foundations can be watered any day of the week and at anytime. Watering, except on your designated days when an automatic irrigation system or hose-end sprinkler can be used, can be done by hand with a either a hand-held hose or a watering can. A drip-style soaker hose, lying on the ground, can also be used.

I have a garden. How often can I water the garden and by what means?

A garden can be watered any day of the week. Watering, except on your designated days when an automatic irrigation system or hose-end sprinkler can be used, must be done by hand with a either a hand-held hose or a watering can. A drip-style soaker hose, lying on the ground, can also be used.

I do not have a sprinkler system. I use a sprinkler connected to a water hose. When can I water?

You can water twice-a-week on your designated watering days. *Watering is prohibited any other day except your designated days and times.*

Will there be a rate increase under Stage 2 Restrictions?

No. However, there will be a rate increase if Stage 4 is initiated by the NTMWD and the City of Murphy.

I have an outdoor water fountain. Do I have to turn it off?

Yes. Fountains which are filled with City, i.e., treated water must be turned off, unless the fountain uses re-circulated, recycled, untreated or non-potable water.

Can I build a new pool and/or spa?

Yes, there are no water restrictions related to pool construction. However, once the pool is finished, water restrictions apply.

I have a pool and/or spa. Can I add water to the pool/spa lost from evaporation?

Yes, on your designated watering days. *Watering is prohibited between 10 am and 6 pm.*

I wash my car/pickup/SUV myself. Can I wash my vehicle on any day and at any time?

You can wash your vehicle at any time on your designated watering days. You must use a hand held bucket or a hand held hose equipped with a positive shut off nozzle.

My neighbor/a business is violating the ordinance. How do I report the violation?

A dedicated phone line, 972-468-4370 and dedicated email address (see www.murphytx.org), have been established to provide current information and to allow residents to report violators.

How much is a fine?

The maximum fine is \$2,000.

Issue

Consider and/or act upon approval of projects to be funded by Economic Development Corporation (4A) and Community Development Corporation (4B).

Background

Staff has prepared a list of projects that are not currently funded in the FY 2012 Budget for City Council review and discussion. These projects have been discussed during the budget process or at City Council meetings but funding has not been available. All of the projects fall within the scope of either the Economic Development Corporation (4A) or Community Development Corporation (4B). The projects total \$842,000 which 4A could fund \$75,000 while 4B could fund \$767,000. At the current time, FY 2012 Budget for the 4A and 4B do not include any capital projects.

Financial Considerations

4A projected fund balance at 9-30-11 is \$754,777 with projected revenues of \$501,000 and projected expenses of \$382,780 leaving a projected fund balance at 9-30-12 of \$872,997. While 4B projected fund balance at 9-30-11 is \$904,513 with projected revenues of \$501,000 and projected expenses of \$277,600 leaving a projected fund balance at 9-30-12 of \$1,127,913.

If 4A funds \$75,000, the projected fund balance at 9-30-12 is \$797,997. If 4B funds all of the \$767,000, the projected fund balance at 9-30-12 is \$360,913.

Staff Recommendation

Staff recommends approval of the listed projects to be funded by the Economic Development Corporation and Community Development Corporation.

Attachments

- 1) Projects for City Council Consideration

Linda Truitt, Finance Director
Submitted By

James Fisher, City Manager
Approved by

City of Murphy
Projects for City Council Consideration
Potentially Funded By 4A and 4B

Proposed 4A - Projects

Description	Amount
Creation of Business Center in the first floor of City Hall	\$ 75,000
Total - Proposed 4A Projects	\$ 75,000
FY 2012 Proposed 4A Budget	
Proposed Fund Balance 9-30-11	754,777
Proposed Revenues	501,000
Proposed Expenditures	(382,780)
Projected 4A Fund Balance at 9-30-12	\$ 872,997
Proposed Project	75,000
Projected 4A Fund Balance at 9-30-12 after proposed project	\$ 797,997

Proposed 4B - Projects

Purchase of Christmas Tree	\$ 40,000
Construction of Amphitheater in Central Park	300,000
EMS Mule	35,000
Parks Projects	115,000
Outdoor Grant Match - Central Park - requested by 4B Board	25,000
City Revitalization program - requested by 4B Board	2,000
Community Center	250,000
Total - Proposed 4B Projects	\$ 767,000
FY 2012 Proposed 4B Budget	
Proposed Fund Balance 9-30-11	904,513
Proposed Revenues	501,000
Proposed Expenditures	(277,600)
Projected 4B Fund Balance at 9-30-12	\$ 1,127,913
Proposed Project	767,000
Projected 4B Fund Balance at 9-30-12 after proposed projects	\$ 360,913

Issue

Discussion regarding combining the 4A Economic Development Board and 4B Community Development Board or convert the 4A into a Municipal Development District.

Background

Option 1: Combine 4A and 4B into one Board. However, doing this will not combine the sales tax collection to 1 cent, it will stay at ½ cent.

Option 2: Convert the 4A into a Municipal Development District. The uses of 4A dollars are very restrictive and consideration of changing to a MDD may give us additional flexibility to address some opportunities before us. Any change in the status of either corporation requires approval of the voters in Murphy.

Financial Considerations

If the City Council changes the status of either corporation, an election would need to be called.

Board/Staff Recommendation

Attachments

- 1) 4A/4B Comparison Chart
- 2) Explanation of how sales tax revenue can be used

James Fisher, City Manager
Submitted By

COMPARISON OF TYPE A, TYPE B AND MDD ECONOMIC DEVELOPMENT ENTITIES

Nature of the Entities

<u>Type A</u>	<u>Type B</u>	<u>MDD</u>
Misc. limiting provisions	All Cities	All Cities
A corporation which administers the sales and use tax	A corporation which administers the sales and use tax	Not a corporation - a district and political subdivision of the state and the city
Files Articles of Incorporation	Files Articles of Incorporation	No Articles of Incorporation (not a corporation)
Corporation is governed by the Development Corporation Act of 1979 found now in Chapters 501-505 of the Local Gov't Code ("LGC") and the Texas Non-Profit Corporation Act (Business Organizations Code formerly Art. 1396-1.01. V.T.C.S)	Same as Type A	Created by LGC Ch. 377
Bylaws	Bylaws	Authorized to adopt rules to govern the operation of the district and its employees and property [LGC §377.071(5)]
Not a political subdivision	Not a political subdivision	Political subdivision of the state and the city [LGC §377.022]
Boundaries: City limits	Boundaries: City limits	Boundaries of MDD: (1) within all or part of city limits; (2) within all or part of city limits; and ETJ; or (3) within all or part of ETJ
Tax: 1/8, 1/4, 3/8 or 1/2 of 1% of sales and use tax	Same	Same

Board of Directors

Type A

Type B

MDD

At least 5 members; appointed by the city council	Seven members exactly; appointed by the city council; three members of the Board must not be employees, officers or city council members	Governed by a board of at least four directors; appointed by the city council (All council could be directors. I would recommend at least a 5 member board for purposes of a quorum)
May be removed by city council at will	Same	Same
Terms not to exceed 6 years	2-year terms (not necessarily staggered)	Staggered two-year terms
Qualification are not specified by statute	If City has population less than 20,000, must be a resident of the city; of the county in which the majority of the city is located; or reside within 10 miles of the city in a county which borders the county in which a majority of the city is located.	Director must reside within boundaries of the City or the MDD
All expenditures authorized require approval by City Council	Same	Establishes a Development Project Fund by resolution to pay costs of planning, acquiring, establishing, developing, constructing or renovating a project, and for operating and maintaining a project. [LGC §377.072]
Conflict of Interest: Ch. 171, LGC does not apply; Bylaws apply	Conflict of Interest: Ch. 171, LGC does not apply; Bylaws apply	Conflict of Interest: Ch. 171, LGC does apply; and may not have a personal interest in a contract executed by the district other than as an employee, officer, or member of the city council [LGC §377.051]
Compensation: Reimbursement only	Same	Same [LGC §377.052]
Quorum: Majority of entire membership	Same Majority of entire membership	Quorum: Not specified in LGC Ch. 377, Gov't Code Ch. 551 is applicable

Administrative Expenses

Type A

Type B

MDD

Authorized to pay the administrative expenses (including staff) to implement the projects.	Same	Employ necessary personnel [LGC §377.071(4)]
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Open Meeting, Public Hearings and Public Information

Type A

Type B

MDD

Subject to TOMA (Gov't Code, Ch. 551) [LGC §501.072]	Same	Subject to TOMA as a political subdivision
Meetings to be held in the city or county in some cases (new law)	Same	Meetings to be held in the city
<p>Public Hearings: Not required for Type A projects.</p> <p>But they are required for Type B (LGC Ch. 505) projects – along with a special election to be held on a uniform election date. [LGC §504.152 - §504.153]</p> <p>Plus: two (2) separate readings are required by the City Council if the project expenditure is \$10,000 or more. [LGC §505.158(b)]</p>	<p>Public Hearings: At least one public hearing is required on a proposed project before spending money to undertake the project unless the project is a project that is defined under Subchapter C, Ch. 501 of the LGC) and if the population of the city is < 20,000. [LGC §505.159]</p>	<p>None; no publications, public hearings, performance agreements, or elections are required.</p>
60 day waiting period to expend funds following first public notice of a Type B project only	Same	None

Subject to Public Information Act (Gov't Code Ch. 552) [LGC §501.072]	Same	Subject to PIA as a political subdivision
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Projects

Type A

Type B

MDD

Intended for manufacturing and industrial development	For economic development and community development	Very similar to Type B (“for the purpose of finance development projects beneficial to the district”) [LGC §377.021]
<p><u>Projects that Create or Retain Primary Jobs</u></p> <p>A Type “A” economic development corporation may fund the following projects <u>provided</u> the projects create or retain “primary jobs:”</p> <p>See LGC §501.002 for definition of “primary job” which means a “job that is ... available at a company for which a majority of the products or services of that company are <u>ultimately exported</u> to regional, statewide, national or international markets <u>infusing new dollars</u> into the local economy”; and that is included in one of nearly sixteen (16) NAICS sector codes.¹</p> <p>See LGC §§501.101 and 504.103 for description of projects authorized under Chapters 501 and 504.</p>	<p><u>Projects that Create or Retain Primary Jobs</u></p> <p>A Type “B” economic development corporation may fund the following projects, <u>provided</u> the projects create or retain “primary jobs:”</p> <p>Type B corporations may provide land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements (one or more) that are for the creation or retention of primary jobs and that are found by the board of directors to be required or suitable for the development, retention, or expansion of:</p> <ol style="list-style-type: none"> (1) manufacturing and industrial facilities; (2) research and development facilities, (3) military facilities, including closed or realigned military bases; (4) transportation facilities (including 	<p>Same as Type B [LGC §505.151-505.158]</p> <p>Plus: A convention center facility or related improvement such as a convention center, civic center, civic center building, civic center hotel, or auditorium, including parking areas or facilities that are used to park vehicle and that are located at or in the vicinity of other convention center facilities. [LGC §377.001(3)]</p>

¹ The NAICS sector code categories include: crop production; animal production; forestry and logging; commercial fishing; support activities for agriculture and forestry; mining; utilities; manufacturing; wholesale trade; transportation and warehousing; information; securities, commodity contracts, and other financial investments and related activities; scientific research and development services; management of companies and enterprises; telephone call centers; correctional institutions; and a job included within National Security sector number 928110.

<p><u>Authorized Projects for “Primary Jobs” under §501.101:</u></p> <p>(1) manufacturing and industrial facilities;</p> <p>(2) research and development facilities;</p> <p>(3) military facilities;</p> <p>(4) recycling facilities;</p> <p>(5) distribution center;</p> <p>(6) small warehouse facilities;</p> <p>(7) primary job training facility by institutions of higher education; and</p> <p>(8) regional or national corporate headquarters.</p> <p>[LGC §501.101]</p> <p><u>LGC § 501.101 projects which are excluded under Chapter 504 – for Type A corporations</u></p> <p>(1) transportation facilities ;</p> <p>(2) sewage or solid waste disposal facilities;</p> <p>(3) air or water pollution control facilities;</p> <p>[LGC §504.103]</p>	<p>but not limited to airports, ports, mass commuting facilities, and parking facilities);</p> <p>(5) sewage or solid waste disposal facilities;</p> <p>(6) recycling facilities;</p> <p>(7) air or water pollution control facilities;</p> <p>(8) distribution centers;</p> <p>(9) small warehouse facilities capable of serving as decentralized storage and distribution centers;</p> <p>(10) primary job training facilities for use by institutions of higher education; and</p> <p>(11) regional or national corporate headquarters facilities.</p> <p>[LGC 505.151; See LGC § 501.101]</p>	
<p>Additionally, Type “A” corporations may fund the following projects <u>without creating or retaining primary jobs</u>:</p> <p><u>Ch. 501 Authorized Projects:</u></p> <p>(1) job training classes [LGC §501.102];</p> <p>(2) <u>certain targeted infrastructure</u> [LGC §501.103];</p> <p>(3) career center not located within the taxing jurisdiction of a junior college district [LGC §501.105];</p>	<p>Type B corporations may provide land, buildings, equipment, facilities, and improvements found by the board of directors to promote or develop new or expanded business enterprises <u>that create or retain primary jobs</u>, including a project to provide:</p> <p>(1) public safety facilities;</p> <p>(2) streets and roads;</p> <p>(3) drainage and related improvements;</p> <p>(4) demolition of existing structures;</p> <p>(5) general municipally owned improvements; and</p>	

<p><u>Ch. 504 (expressly Type A) Projects:</u></p> <p>(4) a general aviation business airport which is an integral part of an industrial park [LGC §504.103(c)(1)];</p> <p>(5) port related facilities [LGC §504.103(c)(2)];</p> <p>(6) airport-related facilities for communities located 25 miles from U.S./Mexico border only [LGC § 504.103(c)(3)];</p> <p><u>Ch. 502 Projects:</u></p> <p>(7) development, improvement, maintenance of commuter rail, light rail or motor buses [LGC § 502.052];</p> <p><u>Ch. 504 Additional Projects</u></p> <p><u>(8) Type “B” projects with voter approval</u> [LGC § 504.152 - .153]; and</p> <p><u>Ch. 504 Promotional Purposes:</u></p> <p>(9) <u>promotional projects</u> [LGC § 504.105].</p>	<p>(6) any improvements or facilities that are related to any of those projects and any other project that the board in its discretion determines promotes or develops new or expanded business enterprises <u>that create or retain primary jobs</u>. [LGC §505.155]</p>	
<p><u>HB 3302</u> <u>New LGC §504.171</u> Effective 06/17/11</p> <p><u>Type A corporations in Cities with population under 7,500 having both a Type A and a Type B EDC may now, if permitted by ordinance of the authorizing municipality, undertake any project that a Type B corporation may undertake under Chapter 505.</u></p>	<p><u>Projects that are NOT Required to Create or Retain Primary Jobs</u></p> <p>Additionally, Type B corporations may fund the following projects <u>without</u> creating or retaining <u>primary jobs</u>:</p> <p>(1) job training classes [LGC §505.151; See §501.162];</p> <p><u>Ch. 501 Authorized Projects:</u></p> <p>(2) <u>certain targeted infrastructure</u></p>	

Until this new provision, a Type A could undertake a Type B project only by conducting a special election to gain public approval and conduct a public hearing.

projects necessary to promote or develop new or expanded business enterprises, limited to streets and roads, rail spurs, water and sewer utilities, and electric utilities, gas utilities, drainage, **site improvements, and related improvements**, telecommunications and Internet improvements, and beach remediation along the Gulf of Mexico

[LGC §501.103];

(3) land, buildings, equipment, facilities, and expenditures required or suitable for a career center not located within the taxing jurisdiction of a junior college

[LGC § 501.105];

Ch. 505 Authorized Projects:

(4) projects consisting of professional and amateur (including children's) sports, athletic, entertainment, tourist, convention, and public park purposes and events [Local Gov't Code § 505.152];

(5) affordable housing projects [LGC §505.153];

(6) water supply facilities projects, with the requisite voter approval [LGC § 505.154(1) and § 505.304];

(7) water conservation programs, with the requisite voter approval [LGC §505.154(2) and § 505.304];

(8) development or expansion of airport or railport facilities, including hangars, maintenance and repair facilities, cargo facilities, and related infrastructure located on or adjacent to an airport or railport facility, if the project is undertaken by a Type B corporation and enters into a development agreement with an entity who acquires a leasehold or other possessory interest from the Type B corporation and is authorized to sublease the entity's interest for other authorized projects

	<p>[LGC § 505.1561]; and</p> <p><u>Ch. 502 Projects:</u> (9) development, improvement, expansion, or maintenance of facilities relating to the operation of commuter rail, light rail, or motor buses [LGC § 502.052];</p> <p><u>Ch. 505 Certain Small Cities Projects:</u> <u>(10) Type B corporations with a city population of 20,000 or less, may provide land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the board of directors to promote new or expanded business development, provided projects which require an expenditure of more than \$10,000 the city council must adopt a resolution authorizing the project after giving the resolution at least two (2) separate readings</u> [LGC § 505.158].</p>	
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How Type A sales tax revenue can be used

The Type A sales tax is primarily intended for manufacturing and industrial development. EDCs may use Type A revenue to fund land, buildings, equipment, facilities expenditures, targeted infrastructure and improvements for projects including:

- manufacturing and industrial facilities, recycling facilities, distribution centers, and small warehouse facilities;
- research and development facilities, regional or national corporate headquarters facilities, primary job training facilities operated by higher education institutions, job training classes, telephone call centers and career centers not located within a junior college taxing district;
- certain infrastructure improvements that promote or develop new or expanded business enterprises;
- aviation facilities;
- commuter rail, light rail or commuter bus operations;
- port-related facilities, railports, rail switching facilities, marine ports, inland ports; and
- maintenance and operating costs associated with projects.

With voter approval, Type A EDCs may fund projects eligible under Type B without voting to abolish the Type A tax and impose the Type B tax. In this situation, a Type A EDC must publish notice of its intent to fund a Type B project, hold at least one public hearing and conduct a special election. For specific legal requirements and procedures, please see the Attorney General's [Economic Development Handbook \(PDF\)](#).

Type A EDCs also may seek voter approval to spend Type A sales tax funds to clean up contaminated property.

A Type A corporation cannot assume, or pay principal or interest on, debts that existed before voters agreed to establish

How Type B sales tax revenue can be used

The Type B sales tax may be used for any project eligible under Type A rules and several other project types, including quality of life improvements. Type B corporations may pay for land, buildings, equipment, facilities, targeted infrastructure and improvements for:

- professional and amateur sports and athletic facilities, tourism and entertainment facilities, convention facilities and public parks;
- related store, restaurant, concession, parking and transportation facilities;
- related street, water and sewer facilities; and
- affordable housing.

To promote and develop new and expanded business enterprises that create or retain primary jobs, a Type B EDC may fund:

- public safety facilities;
- recycling facilities;
- streets, roads, drainage and related improvements;
- demolition of existing structures;
- general municipally owned improvements; and
- maintenance and operating costs associated with projects.

Type B EDCs also may seek voter approval to spend Type B sales tax funds for a water supply, water conservation program or to clean up contaminated property.

Exceptions for Small Cities and Landlocked Communities

Type B EDCs created by cities with a population of 20,000 or less and those classified as landlocked communities may use sales tax proceeds to fund projects that promote new or expanded business development that do not create or retain primary jobs. A landlocked community must be located in either Harris or Dallas counties and have less than 100 acres within its city limits and extraterritorial jurisdiction zoned for manufacturing or industrial facilities.