

**NOTICE OF SPECIAL MEETING
CITY OF SOUTH PADRE ISLAND
CITY COUNCIL**


NOTICE IS HEREBY GIVEN THAT THE COUNCIL MEMBERS OF THE CITY OF SOUTH PADRE ISLAND, TEXAS, WILL HOLD A SPECIAL MEETING ON:

THURSDAY, DECEMBER 16, 2010

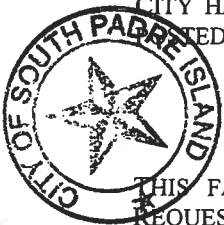
9:00 A.M. AT THE MUNICIPAL BUILDING,
JOYCE H. ADAMS BOARD ROOM, 2ND FLOOR
4601 PADRE BOULEVARD, SOUTH PADRE ISLAND, TEXAS

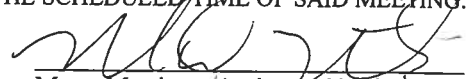
1. Call to order
2. Pledge of Allegiance
3. **Public Comments and Announcements:** *This is an opportunity for citizens to speak to Council relating to agenda or non-agenda items. Speakers are required to address Council at the podium and give their name before addressing their concerns. [Note: State law will not permit the City Council to discuss, debate or consider items that are not on the agenda. Citizen comments may be referred to City Staff or may be placed on the agenda of a future City Council meeting]*
4. Approve Second and Final Reading of Ordinance No. 10-34 designating an area known as the City of South Padre Island Development Project as a Tax Increment Reinvestment Zone; describing the boundaries of the zone; creating a board of directors for the zone; providing for an effective date and termination date for the zone; naming the zone "Reinvestment Zone Number One City of South Padre Island", and establishing a Tax Increment Fund. (Jones)
5. Approve Second and Final Reading of Ordinance No. 10-37 as set forth in Section 5.06 (a) of the Home Rule Charter making appropriations by department, fund, service, strategy or other organizational unit and authorizing an allocation for each program or activity.
6. Adjourn.

DATED THIS THE 10TH DAY OF DECEMBER 2010


Marta Martinez, Assistant City Secretary

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THE ABOVE NOTICE OF MEETING OF THE GOVERNING BODY OF THE CITY OF SOUTH PADRE ISLAND, TEXAS IS A TRUE AND CORRECT COPY OF SAID NOTICE AND THAT I POSTED A TRUE AND CORRECT COPY OF SAID NOTICE ON THE BULLETIN BOARD AT CITY HALL/MUNICIPAL BUILDING ON **DECEMBER 10, 2010** AT/OR BEFORE 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.




Marta Martinez, Assistant City Secretary

THIS FACILITY IS WHEELCHAIR ACCESSIBLE, AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT BUILDING OFFICIAL, JAY MITCHIM; ADA DESIGNATED RESPONSIBLE PARTY AT (956) 761-1025.

**CITY OF SOUTH PADRE ISLAND
CITY COUNCIL SPECIAL MEETING
AGENDA REQUEST FORM**

MEETING DATE: December 16, 2010

NAME/DEPT.: Darla A. Jones, Assistant City Manager

ITEM

Approve Second and Final Reading of Ordinance No. 10-34 designating an area known as the City of South Padre Island Development Project as a Tax Increment Reinvestment Zone; describing the boundaries of the zone; creating a board of directors for the zone; providing for an effective date and termination date for the zone; naming the zone "Reinvestment Zone Number One-City of South Padre Island," and establishing a Tax Increment Fund. (Jones)

ITEM

BACKGROUND

This is the ordinance establishing the zone.

**RECOMMENDATIONS/COM
MENTS**

Staff recommends approval.

**BUDGET/FINANCIAL
SUMMARY**

N/A

**COMPREHENSIVE PLAN
GOAL**

N/A

**COUNCIL
ACTION**

Motion: _____

Second: _____

Vote: Ayes: _____ **Nays:** _____

Abstentions: _____

ORDINANCE 10-34

AN ORDINANCE OF THE CITY OF SOUTH PADRE ISLAND DESIGNATING AN AREA KNOWN AS THE CITY OF SOUTH PADRE ISLAND DEVELOPMENT PROJECT AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER ONE CITY OF SOUTH PADRE ISLAND; AND ESTABLISHING A TAX INCREMENT FUND; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, the City Council (the "Council") of the City of South Padre Island, Texas (the "City") desires to support development and redevelopment in the City to be funded in whole or in part, through the creation of a Tax Increment Reinvestment Zone (the "Zone"), as hereinafter more specifically defined and named and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act 9the "Act"), Texas Tax Code, Chapter 311; and

WHEREAS, the City indicated its intent to create the Zone by approving a contract with TIF Services of South Texas for the creation of a Zone at the regularly scheduled City Council meeting on October 20, 2010; and

WHEREAS, the Project will support financing of costs associated with the construction of public improvements related to several possible development and redevelopment projects, which may include (i) Padre Boulevard infrastructure improvements, (ii) Convention Center improvements and expansion, and (iii) Entertainment District infrastructure improvements; and

WHEREAS, pursuant to the Act, the City may designate a contiguous geographical area within the City; and

WHEREAS, Pursuant to the Act, the City has directed that a Preliminary Reinvestment Zone Financing Plan (the "Preliminary Plan") be prepared for the proposed Zone; and

WHEREAS, A Public Hearing was held on December 15, 2010 in the City Council Board Room to consider the creation of a Tax Increment Reinvestment Zone for the Project and its respective benefits to the City and to property in the proposed Zone; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND:

SECTION 1. DESIGNATING THE AREA AS A REINVESTMENT ZONE. The area described in Section 2 below and more commonly referred to as the "South Padre Island Development Project" and officially assigned the name as designated in Section 5 below (which reinvestment zone so described, named and designated is hereinafter referred to as the "Zone", is hereby designated as a Tax Increment Reinvestment Zone.

SECTION 2. DESCRIPTION OF THE BOUNDARIES OF THE REINVESTMENT ZONE. Attached hereto as Exhibit "A", which is incorporated herein by reference for all purposes is a Cameron County Appraisal District Map with the parcels, area and boundaries of the Zone outlined in purple.

SECTION 3. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR THE ZONE. There is hereby created a Board of Directors (the "Board") for the Zone, with all the rights powers and duties as provided by the Act to such Boards or by action of the City Council. Pursuant to Section 311.009(a) of the Texas Tax Code the Board shall consist of not less than five (5) and not more than fifteen (15) members.

Each taxing unit other than the City that levies taxes on real property in the Zone may appoint one member to the Board. A unit may waive its right to appoint a member. The City Council shall appoint the remaining directors.

Appointees shall be for a two (2) year term. Upon expiration of their respective terms of office, replacements to the Board shall be appointed. Vacancies on the Board shall be filled by the respective taxing unit making such appointments for the remainder of the unexpired term.

SECTION 4. EFFECTIVE DATE AND TERMINATION DATE OF THE ZONE. The Zone shall take effect on December 15, 2010 and continue until its termination date of December 31, 2025 unless otherwise terminated earlier as a result of payment in full of all project costs, tax increment bonds, if any, including interest on said bonds as authorized or permitted by law.

SECTION 5 ASSIGNING A NAME TO THE ZONE. The Tax Increment Reinvestment Zone created hereby is assigned the name of "REINVESTMENT ZONE NUMBER ONE, CITY OF SOUTH PADRE ISLAND, TEXAS."

SECTION 6. TAX INCREMENT BASE. The tax increment base for the Zone is the total assessed value of all real property taxable by the City and located in the Zone, determined as of January 1, 2010, the year in which the Zone was designated as a Reinvestment Zone (the "Tax Increment Base").

SECTION 7. ESTABLISHMENT OF A TAX INCREMENT FUND. There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER ONE, CITY OF SOUTH PADRE ISLAND, TEXAS TAX INCREMENT FUND" (HEREIN CALLED THE "Tax Increment Fund"). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

SECTION 8. FINDINGS. The City hereby finds and declares that (a) improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City; and (b) the Zone meets the requirements of 311.005 of the Act, being that the Zone area:

“is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City and”

The City of South Padre Island, pursuant to the Act, further finds and declares that:

1. the proposed zone is a contiguous geographical area located wholly within the City limits of South Padre Island;
2. less than ten percent (10%) of the property in the proposed Zone is used for residential purposes, as the term “residential” is defined in Section 311.006(d) of the Act;
3. the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifteen per cent (15%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;
4. the proposed Zone does not contain more than fifteen percent (15%) of the total appraised value of real property taxable by Cameron County and the Point Isabel Independent School District, and
5. development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 9. DESIGNATION OF A SECTION 311.005(a) ZONE. The Zone is designated pursuant to Section 311.005(a) of the Act.

SECTION 10. SEVERABILITY. If any of the provisions of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstance shall nevertheless be valid, as if such invalid provisions had never appeared herein, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision

SECTION 11. The Zone shall take effect immediately upon passage of this Ordinance, pursuant to Section 311.004(3) of the Act

PASSED, APPROVED AND ADOPTED on First Reading, this 15th day of December 2010.

PASSED, APPROVED AND ADOPTED on Second Reading, this 16 day of _December 2010.

ATTEST:

**CITY OF SOUTH PADRE
ISLAND, TEXAS**

Marta Martinez, Assistant CITY SECRETARY

ROBERT N. PINKERTON, JR., MAYOR

**SOUTH PADRE ISLAND
CITY COUNCIL MEETING
AGENDA REQUEST FORM**

MEETING DATE: December 16, 2010

NAME/DEPT.: Larry Homan, Finance Director

ITEM

Approve Second and Final Reading of Ordinance No. 10-37 as set forth in Section 5.06 (a) of the Home Rule Charter making appropriations by department, fund, service, strategy or other organizational unit and authorizing an allocation for each program or activity.

ITEM BACKGROUND

City Council passed Resolution No. 2010-21 approving and adopting a budget for the City of South Padre Island for Fiscal Year 2010/2011 on September 9, 2010. An ordinance is required to implement the appropriation provided by the adopted budget in order to comply with the Home Rule Charter (Section 5.06).

RECOMMENDATIONS/COMMENTS

Staff recommends passage.

BUDGET/FINANCIAL SUMMARY

The passage of the recommended ordinance will not require additional appropriations nor generate additional revenues to implement.

COMPREHENSIVE PLAN GOAL

Not Applicable

**COUNCIL
ACTION**

Motion: _____

Second: _____

Vote: Ayes: _____ **Nays:** _____

Abstentions: _____

ORDINANCE NO. 10-37

AN ORDINANCE OF THE CITY OF SOUTH PADRE ISLAND, TEXAS; MAKING APPROPRIATIONS FOR EACH DEPARTMENT, PROJECT, PROGRAM AND ACCOUNT FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2010 AND ENDING SEPTEMBER 30, 2011 PURSUANT TO THE ADOPTED BUDGET; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR EFFECTIVE DATE.

WHEREAS, a budget for the fiscal year beginning October 1, 2010 and ending September 30, 2011 was duly adopted on September 9, 2010 by Resolution No. 2010-22; and

WHEREAS, the City of South Padre Island Home Rule Charter provides that the City should by ordinance provide for all appropriations; and

WHEREAS, the City Council has determined that such an ordinance should be enacted to implement the adopted Budget.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH PADRE ISLAND, TEXAS:

Section 1. There is hereby appropriated from the funds indicated and for such purposes and other expenditures proposed in such budget, not to exceed for all such purposes for any department, the total amount of the estimated costs of the projects, operations, activities, purchases and other expenditures proposed for each department, fund, service or other organizational unit as follows, to wit:

GENERAL FUND:

EST. BEGINNING FUND BALANCE	\$ 5,663,240
OPERATING REVENUE:	9,634,391
TOTAL RESOURCES:	15,297,631
EXPENDITURES:	9,319,309
SPECIAL PROJECTS:	313,590
UN-DESIGNATED FUND BALANCE:	<u>\$ 5,664,732</u>
TOTAL REGULAR PERSONNEL	110.75

HOTEL/MOTEL FUND:

EST. BEGINNING FUND BALANCE:	\$ 313,605
OPERATING REVENUE:	3,999,432
TOTAL RESOURCES:	4,313,037
OPERATING EXPENSES:	3,646,107
UN-DESIGNATED FUND BALANCE	<u>\$ 666,931</u>
TOTAL REGULAR PERSONNEL	12.5

CONVENTION CENTRE FUND:

EST. BEGINNING FUND BALANCE:	\$ 1,630,499
OPERATING REVENUE:	2,059,068
TOTAL RESOURCES:	3,689,567
EXPENDITURES:	1,882,994
UNDESIGNATED FUND BALANCE:	<u>\$ 1,806,573</u>
TOTAL REGULAR PERSONNEL:	11.5

STREET IMPROVEMENT FUND:

EST. BEGINNING FUND BALANCE:	\$ 240,000
OPERATING REVENUE	
TOTAL RESOURCES:	240,000
EXPENDITURES:	<u>238,394</u>
ENDING FUND BALANCE:	\$ <u>1,606</u>

DEBT SERVICE:

EST. BEGINNING FUND BALANCE:	\$ 401,000
REVENUE:	1,067,275
TOTAL RESOURCES:	1,468,275
DEBT SERVICE:	<u>1,067,563</u>
ENDING FUND BALANCE:	\$ <u>400,712</u>

TRANSPORTATION GRANT:

EST. BEGINNING FUND BALANCE:	\$ 0
REVENUE:	973,561
TOTAL RESOURCES:	973,561
EXPENDITURES:	<u>966,095</u>
ENDING FUND BALANCE:	\$ <u>7,466</u>

TOTAL REGULAR PERSONNEL: 9.25

LONG RANGE PLANNING FUND

EST. BEGINNING FUND BALANCE:	\$ 23,600
REVENUE:	0
TOTAL RESOURCES:	23,600
EXPENDITURES:	<u>23,600</u>
ENDING FUND BALANCE:	\$ <u>0</u>

MUNICIPAL COMPLEX FUND

EST. BEGINNING FUND BALANCE:	\$ 27,777
REVENUE:	0
TOTAL RESOURCES:	0
EXPENDITURES:	<u>27,777</u>
ENDING FUND BALANCE:	\$ <u>0</u>

CAPITAL REPLACEMENT FUND

EST. BEGINNING FUND BALANCE:	\$ 1,000
REVENUE:	0
TOTAL RESOURCES:	1,000
EXPENDITURES:	0
ENDING FUND BALANCE:	\$ <u>1,000</u>

BAY ACCESS

EST. BEGINNING FUND BALANCE:	112,000
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REVENUE:	15,000
TOTAL RESOURCES:	127,000
EXPENDITURES:	115,000
ENDING FUND BALANCE:	\$ 12,000

BEACH MAINTENANCE

EST. BEGINNING FUND BALANCE:	\$ 149,000
REVENUE:	600,000
TOTAL RESOURCES:	749,000
EXPENDITURES:	747,344
ENDING FUND BALANCE:	\$ 1,656
TOTAL REGULAR PERSONNEL 4	

MUNICIPAL COURT TECHNOLOGY

EST. BEGINNING FUND BALANCE:	\$ 14,000
REVENUE:	4,500
TOTAL RESOURCES:	18,500
EXPENDITURES:	9,500
ENDING FUND BALANCE:	\$ 9,000

MUNICIPAL COURT SECURITY

EST. BEGINNING FUND BALANCE:	\$ 22,000
REVENUE:	3,500
TOTAL RESOURCES:	25,500
EXPENDITURES:	1,680
ENDING FUND BALANCE:	\$ 23,820

BEACH ACCESS

EST. BEGINNING FUND BALANCE:	\$ 35,250
REVENUE:	298,000
TOTAL RESOURCES:	333,250
EXPENDITURES:	333,000
ENDING FUND BALANCE:	\$ 250

BEACH NOURISHMENT

EST. BEGINNING FUND BALANCE:	\$ 1,156,892
REVENUE:	897,692
TOTAL RESOURCES:	2,054,584
EXPENDITURES:	1,007,692
ENDING FUND BALANCE:	\$ 1,046,892

ECONOMIC DEVELOPMENT CORP.

EST. BEGINNING FUND BALANCE:	\$ 130,000
REVENUE:	1,050,000
TOTAL RESOURCES:	1,180,000
EXPENDITURES:	1,050,000
ENDING FUND BALANCE:	\$ 130,000

Section 2. This Ordinance repeals all portions of any prior ordinances or parts of ordinances of the Code of Ordinances in conflict herewith and shall not be codified.

Section 3. If for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this Ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this Ordinance for it is the definite intent of this City Council that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

Section 4. This Ordinance shall become effective immediately.

PASSED, APPROVED AND ADOPTED on First Reading, this 15th day of December 2010.

PASSED, APPROVED AND ADOPTED on Second Reading, this 16th day of December 2010.

ATTEST:

**CITY OF SOUTH PADRE
ISLAND, TEXAS**

Marta Martinez, Assistant CITY SECRETARY

ROBERT N. PINKERTON, JR., MAYOR