

Guidelines and Criteria for Entering into 381
Agreements in Harris County

Approved by Commissioners Court
June 12, 2012



HARRIS COUNTY, TEXAS

COMMISSIONERS COURT:

ED EMMETT

COUNTY JUDGE

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GUIDELINES & CRITERIA FOR ENTERING INTO 381 AGREEMENTS IN HARRIS COUNTY

Whereas, since the 1990's, Harris County Commissioners Court ("Court") has expended Harris County ("County") funds pursuant to TEXAS LOCAL GOVERNMENT CODE §381.004 to support activities of non-profit economic development organizations (EDOs) providing the County all of the below-listed under "Services to be Purchased" and such other services that may be needed from time to time, in furtherance of the County's economic development goals;

Whereas, the Court has formalize its support to local economic development organizations though contractual agreements not to exceed twelve months in length ("381 Agreement(s)");

Whereas, the Court recognizes there are statutory and/or budgetary constraints limiting 381 Agreement, and further, such limitations prevent the Court from committing County funds for a period of time in excess of twelve months; and

Whereas, the Court desires to continue to support non-profit EDOs, the Court hereby formally authorizes these "Guidelines & Criteria for Entering into 381 Agreements in Harris County" ("381 Guidelines"), as follows:

I. SERVICES TO BE PURCHASED

A. ACTIVITIES REQUIRED

Pursuant to TEXAS LOCAL GOVERNMENT CODE ANN. § 381.004, as amended, the County desires to purchase services from economic development providers ("Providers"). It has been and will continue to be County practice to require all Providers under 381 Agreements to perform, in furtherance of the County's economic development goals, all of the following required activities:

1. Build the County tax base; and
2. Create new employment; and

3. Retain existing jobs; and
4. Create an economic climate conducive to development and growth of business investment and commerce; and
5. Enhance the quality of life for all citizens residing or working within the County; and
6. Create economic diversification to provide for stable and consistent growth; and
7. Promote the County as THE location of choice for new, expanding, and relocating businesses; and
8. Attract new businesses and developments to the County; and
9. Encourage expansion of existing industries and businesses in the County; and
10. Retain businesses currently located in the County.

B. ADDITIONAL SERVICES

It has been County practice that each 381 Agreement with each Provider stipulates which of the "Additional Services" listed below are required in each respective Provider's 381 Agreement. Although other services may be added in the future, as needed, the County will continue to require all Providers under 381 Agreements to perform some or all of the following:

1. Develop and administer a program for state and local economic development; and
2. Stimulate, encourage, market, develop business location and commercial activity; and
3. Promote and advertise the County and its vicinity; and
4. Conduct a solicitation program to attract conventions, visitors, and businesses; and
5. Interact with other local EDOs and chambers of commerce;
6. Interact with state agencies and the Texas Governor's Office, as appropriate; and
7. Conduct seminars, lectures, meetings, and public hearings; and
8. Facilitate business-specific tax incentive programs (tax abatements, historic sites); and
9. Support creation and expansion of local foreign-trade zone sites; and
10. Perform, compile, and disseminate economic, industry, workforce, and business data.

C. PROVIDER QUALIFICATIONS

It has been County practice that each 381 Agreement with each Provider stipulates which of the "Provider Qualifications" listed below are required in each respective Provider's 381 Agreement. Although other qualifications may be added in the future, as needed, the County will continue to require all Providers under 381 Agreements to meet some or all of the following:

1. A Provider must be a non-profit entity authorized to promote economic development in all or a portion of the County; and
2. A Provider will be engaged in on-going efforts to attract new businesses to the County, to encourage the expansion of existing businesses in the County, and to retain existing businesses in the County; and
3. A Provider will match any funds received from the County by committing to expend an amount equal to or greater than the amount of County funds received. Such match funds will be expended by the Provider during the term of its 381 Agreement, and may include services, equipment, and rentals contributed in-kind to the Provider; provided, however,

that time volunteered by the board members of the Provider will not be counted as in-kind contributions toward the Provider's match commitment; and

4. A Provider will cooperate with and use the services of the Economic Development and Tourism Division of Texas Governor's Office, and will comply with any reasonable request for information made by any other EDO receiving funds from the County for the development or administration of community and economic development programs; and
5. A Provider will participate in joint projects and coordinate its activities with all other economic development organizations or entities with whom the County contracts for economic development services in an effort to reduce duplication of efforts and to enhance cooperation throughout the County.

D. SCOPE OF SERVICES

It has been County practice that each 381 Agreement with each Provider stipulates the "Scope of Services" from those listed below that is required in each respective Provider's 381 Agreement. Although additional scope may be added in the future, as needed, the County will continue to require all Providers under 381 Agreements to meet some or all of the following:

1. Business Assistance Programs: A Provider will coordinate workshops, seminars, or programs designed to assist and promote the efforts of local businesses and entrepreneurs to form new business ventures or to expand existing business ventures within the County.
2. Marketing & Sales: A Provider will assist with marketing and sales programs to positively influence attitudes among, local, state, national, and international business decision makers/community leaders by drawing attention to the County's strengths and by promoting the County's image, projects and policies.
3. Advertising, Public Relations, Media Communications: A Provider will coordinate programs designed to disseminate, on a local, state, national, and international level, accurate and detailed information on business opportunities, successful businesses, and the local business climate in the County.
4. Small & Disadvantaged Business Development: A Provider will assist development of small and disadvantaged businesses in the County by offering training seminars, counseling, information dissemination, business networking opportunities, and other support. These programs and services will be delivered in partnership with local and state officials and local economic development organizations and chamber of commerce.
5. State or Local Economic Development: The Provider will work to stimulate, encourage, and develop business location and commercial activity in the county by interacting with local and state officials, local economic development organizations and chambers of commerce to offer appropriate and beneficial programs and services. These include business retention and business development programs, workforce analysis and development programs, compilation and dissemination of economic and business related data, and to support and improve the economic development capabilities of our local and state allies.

6. Information & Memberships: A Provider, upon the County's request, will make available at no cost to the County the following:
- a. Information in its library and databases (except company economic development prospects not seeking abatements or specifically requesting confidentiality); and
 - b. All Provider publications, studies, reports, and evaluations relating to economic development issues (except those related to confidential prospects); and
 - c. Admission for staffs of Court members and CSD to all events organized or hosted by the Provider; and
 - d. Full membership on its board of directors for a Court designee to represent the County.

II. ADMINISTRATION

- 1. Administration of all County activity under 381 Agreements is the responsibility of CSD and any other organization as CSD may recommend to the Court.
- 2. A 381 Agreement may only be utilized for contracting with a non-profit economic development organization (EDO), whose primary service area is the County, and who is based in the County.
- 3. Notwithstanding anything stated in these Guidelines, any currently-funded Provider is eligible for continued 381 Agreement funding, provided it meets the requirements of these Guidelines and as long as it is in compliance with current and future 381 Agreement requirements.
- 4. A 381 Agreement will not exceed a twelve-month term, and will allow the County the unilateral right to terminate with 30 days notice.
- 5. A Provider will furnish to CSD a detailed quarterly report in order to receive payment for services. Reports must show the County precinct for which each specific service was performed and must either exclude or separately state services performed for other counties.
- 6. The County will have full audit rights of the Providers books and records related to services provided and invoicing under the Provider's 381 Agreement with the County.
- 7. A three-fourths majority vote of the full Commissioners Court will be required to approve any variance to these 381 Guidelines.

**Proposed for Adoption by Harris County
Commissioners Court June 12, 2012**

Texas Local Government Code
Title 12. Planning and Development
Subtitle B. County Planning and Development
Chapter 381 County Development and Growth
2021 Edition

LOCAL GOVERNMENT CODE
TITLE 12. PLANNING AND DEVELOPMENT
SUBTITLE B. COUNTY PLANNING AND DEVELOPMENT
CHAPTER 381. COUNTY DEVELOPMENT AND GROWTH

Sec. 381.001. COUNTY INDUSTRIAL COMMISSION. (a) The county judge of a county may appoint a county industrial commission.

(b) The commission must consist of not less than seven persons who must be residents of the county and must have exhibited interest in the industrial development of the county.

(c) In a county with a population of 14,600 to 14,800, or 16,615 to 16,715, or 17,800 to 18,000, or 24,600 to 24,800, a person appointed to the commission also must be serving or must have served on an industrial foundation committee, commissioners court, municipality's governing body, or school board. In addition, in those counties information obtained by the commission shall be available to the commissioners court.

(d) A member of the commission serves a term of two years.

(e) The county may pay the necessary expenses of the commission.

(f) The commission shall investigate and undertake ways of promoting the prosperous development of business, industry, and commerce in the county. The commission shall promote the location and development of new businesses and industries in the county and the maintenance and expansion of existing businesses.

(g) The commission shall cooperate with and use the services of the Texas Department of Commerce.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, Sec. 78(a), eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 597, Sec. 103, eff. Sept. 1, 1991; Acts 2001, 77th Leg., ch. 669, Sec. 106, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. [2702](#)), Sec. 97, eff. September 1, 2011.

Sec. 381.002. ADVERTISING AND PROMOTING GROWTH AND

DEVELOPMENT. (a) If authorized by a majority vote of the qualified voters of the county voting at an election, the commissioners court of the county may appropriate from the county's general fund an amount not to exceed five cents on the \$100 assessed valuation to advertise and promote the growth and development of the county. That money constitutes a separate fund to be known as the board of development fund and may be used only for board purposes.

(b) In a county qualifying under this section, a board of development is created. The board shall devote its time and effort to advertising and promoting the growth and development of the county.

(c) The board consists of five members who are appointed by the commissioners court and who serve terms of two years from the date of appointment. Members serve without compensation. Vacancies on the board shall be filled by the commissioners court in the same manner as the original appointments.

(d) Annually, the board shall prepare and submit to the commissioners court a budget for the ensuing year in the same manner required of counties.

(e) Subject to the approval of the commissioners court, the board may spend for personnel, rent, or materials any sum reasonably necessary to accomplish its purposes.

(f) Before a claim against the board is presented for payment, the claim must be approved by the board. After approval of the claim, it must be presented to the commissioners court and the commissioners court shall act on it in the same manner in which it acts on any other claim against the commissioners court.

(g) Although a county may operate under another law authorizing the appropriation of money or levy of a tax for advertising and promotion purposes, the county may not appropriate more for those purposes than the amount provided by Subsection (a). Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1060, Sec. 2, eff. Aug. 28, 1989.

Sec. 381.003. DEVELOPMENT PROJECTS AUTHORIZED UNDER FEDERAL LAW. (a) The commissioners court of a county may administer or otherwise engage in community and economic

development projects authorized under Title I of the Housing and Community Development Act of 1974 or under any other federal law creating community and economic development programs.

(b) The commissioners court of a county may administer, engage in, and otherwise exercise all powers necessary for the county to fully participate in housing and community development programs authorized under the Cranston-Gonzalez National Affordable Housing Act. This authority includes the power to impose assessments on real property and the owners of the property to recover all or part of the cost of a public improvement, as authorized by Section 916 of the Cranston-Gonzalez National Affordable Housing Act. The commissioners court may:

(1) use county funds, as matching funds, as may be necessary to obtain grants or financial assistance under that Act; or

(2) obtain grants and financial assistance under any other federal law creating housing and community development programs.

(c) The commissioners court of a county may provide services authorized by Chapter 2308, Government Code, if the commissioners court enters into a contract with a local workforce development board for the provision of services authorized by Chapter 2308, Government Code. The commissioners court may collect fees for the services performed and for unreimbursed costs associated with the provision of the services unless:

(1) state law prohibits the collection of the fee or unreimbursed cost; or

(2) the service provided is a service described by Subsections (a) and (b), 29 U.S.C. Section 49f.

(d) This section does not authorize a commissioners court to exercise any ordinance-making authority not otherwise specifically granted by state law.

Acts 1987, 70th Leg., ch. 149, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1991, 72nd Leg., ch. 140, Sec. 1, eff. Aug. 26, 1991; Acts 1997, 75th Leg., ch. 826, Sec. 3, eff. June 18, 1997.

Sec. 381.004. COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS.

(a) In this section:

(1) "Another entity" includes the federal government, the State of Texas, a municipality, school or other special district, finance corporation, institution of higher education, charitable or nonprofit organization, foundation, board, council, commission, or any other person.

(2) "Minority" includes blacks, Hispanics, Asian Americans, American Indians, and Alaska natives.

(3) "Minority business" means a business concern, more than 50 percent of which is owned and controlled in management and daily operations by members of one or more minorities.

(4) "Women-owned business" means a business concern, more than 50 percent of which is owned and controlled in management and daily operations by one or more women.

(b) To stimulate business and commercial activity in a county, the commissioners court of the county may develop and administer a program:

(1) for state or local economic development;

(2) for small or disadvantaged business development;

(3) to stimulate, encourage, and develop business location and commercial activity in the county;

(4) to promote or advertise the county and its vicinity or conduct a solicitation program to attract conventions, visitors, and businesses;

(5) to improve the extent to which women and minority businesses are awarded county contracts;

(6) to support comprehensive literacy programs for the benefit of county residents; or

(7) for the encouragement, promotion, improvement, and application of the arts.

(c) The commissioners court may:

(1) contract with another entity for the administration of the program;

(2) authorize the program to be administered on the basis of county commissioner precincts;

(3) use county employees or funds for the program; and

(4) accept contributions, gifts, or other resources to

develop and administer the program.

(d) A program established under this section may be designed to reasonably increase participation by minority and women-owned businesses in public contract awards by the county by establishing a contract percentage goal for those businesses.

(e) The legislature may appropriate unclaimed money the comptroller receives under Chapter 74, Property Code, for a county to use in carrying out a program established under this section. To receive money for that purpose for any fiscal year, the county must request the money for that fiscal year. The amount a county may receive under this subsection for a fiscal year may not exceed an amount equal to the value of the capital credits the comptroller receives from an electric cooperative corporation on behalf of the corporation's members in the county requesting the money less an amount sufficient to pay anticipated expenses and claims. The comptroller shall transfer money in response to a request after deducting the amount the comptroller determines to be sufficient to pay anticipated expenses and claims.

(f) The commissioners court of a county may support a children's advocacy center that provides services to abused children.

(g) The commissioners court may develop and administer a program authorized by Subsection (b) for entering into a tax abatement agreement with an owner or lessee of a property interest subject to ad valorem taxation. The execution, duration, and other terms of the agreement are governed, to the extent practicable, by the provisions of Sections 312.204, 312.205, and 312.211, Tax Code, as if the commissioners court were a governing body of a municipality.

(h) The commissioners court may develop and administer a program authorized by Subsection (b) for making loans and grants of public money and providing personnel and services of the county.

Added by Acts 1989, 71st Leg., ch. 1060, Sec. 3, eff. Aug. 28, 1989.
Amended by Acts 1997, 75th Leg., ch. 1037, Sec. 3, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 254, Sec. 1, eff. May 22, 2001; Acts 2001, 77th Leg., ch. 1154, Sec. 1, eff. June 15, 2001; Acts 2003, 78th Leg., ch. 1275, Sec. 2(109), eff. Sept. 1, 2003.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 12.003, eff. September 1, 2015.

Sec. 381.005. PROVISION OF CERTAIN INFORMATION TO COMPTROLLER. (a) Not later than the 14th day after the date of entering into, amending, or renewing an agreement authorized by this chapter, a county, county industrial commission, or development board, as applicable, shall submit to the comptroller the information described by Section [403.0246\(c\)](#), Government Code, and any other information the comptroller considers necessary to operate and update the database described by that section.

(b) A county, commission, or board shall transmit the information required by Subsection (a) in a form and manner prescribed by the comptroller.

(c) If a county or a commission or board created by the county submits an agreement to the comptroller under this section and the county maintains an Internet website, the county shall provide on the website a direct link to the location of the agreement information published on the comptroller's Internet website.

Added by Acts 2021, 87th Leg., R.S., Ch. 208 (H.B. [2404](#)), Sec. 3, eff. September 1, 2021.