

1-1 By: Hinojosa S.B. No. 2550
1-2 (In the Senate - Filed April 22, 2009; April 23, 2009, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 11, 2009, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 May 11, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 2550 By: Wentworth

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the creation of the Padre Island Gateway Municipal
1-11 Management District; providing authority to impose a tax and issue
1-12 bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-14 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-15 Code, is amended by adding Chapter 3869 to read as follows:

1-16 CHAPTER 3869. PADRE ISLAND GATEWAY MUNICIPAL MANAGEMENT DISTRICT
1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 3869.001. DEFINITIONS. In this chapter:

1-19 (1) "Board" means the district's board of directors.

1-20 (2) "City" means the City of Corpus Christi.

1-21 (3) "District" means the Padre Island Gateway
1-22 Municipal Management District.

1-23 (4) "Improvement project" means any program or project
1-24 authorized by Sections 3869.102 and 3869.160 inside or outside the
1-25 district.

1-26 Sec. 3869.002. NATURE OF DISTRICT. The district is a
1-27 special district created under Section 59, Article XVI, Texas
1-28 Constitution.

1-29 Sec. 3869.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
1-30 creation of the district is essential to accomplish the purposes of
1-31 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-32 Texas Constitution, and other public purposes stated in this
1-33 chapter. By creating the district and in authorizing the city and
1-34 other political subdivisions to contract with the district, the
1-35 legislature has established a program to accomplish the public
1-36 purposes set out in Section 52-a, Article III, Texas Constitution.

1-37 (b) The creation of the district is necessary to promote,
1-38 develop, and protect the environment and the other natural
1-39 resources of this state, and to encourage and maintain employment,
1-40 commerce, transportation, housing, tourism, recreation, the arts,
1-41 entertainment, economic development, safety, and the public
1-42 welfare in the district.

1-43 (c) The district is created to supplement and not to
1-44 supplant services provided by the city in the district. This
1-45 chapter and the creation of the district may not be interpreted to
1-46 relieve the city from providing the level of services provided as of
1-47 the effective date of the Act creating this chapter to the area in
1-48 the district.

1-49 Sec. 3869.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-50 (a) The district is created to serve a public use and benefit.

1-51 (b) All land and other property included in the district
1-52 will benefit from the improvements and services to be provided by
1-53 the district under powers conferred by Sections 52 and 52-a,
1-54 Article III, and Section 59, Article XVI, Texas Constitution, and
1-55 other powers granted under this chapter.

1-56 (c) The creation of the district is in the public interest
1-57 and is essential to further the public purposes of:

1-58 (1) developing and diversifying the economy of this
1-59 state;

1-60 (2) eliminating unemployment and underemployment;

1-61 (3) providing quality residential housing;

1-62 (4) developing or expanding transportation and
1-63 commerce; and

2-1 (5) improving and enhancing the environment in and
2-2 around the district and in the city.

2-3 (d) The district will:

2-4 (1) promote the health, safety, and general welfare of
2-5 residents, employers, potential employees, employees, visitors,
2-6 and consumers in the district, and of the public;

2-7 (2) provide needed funding for the district to
2-8 preserve, maintain, and enhance the economic health and vitality of
2-9 the district territory as a residential community and business
2-10 center;

2-11 (3) promote the health, safety, welfare, and enjoyment
2-12 of the public by providing pedestrian ways throughout the district,
2-13 including beaches; and

2-14 (4) landscape and develop areas in the district that
2-15 are necessary for the restoration, preservation, and enhancement of
2-16 scenic beauty and enhancing and improving the environment as an
2-17 essential natural resource of this state.

2-18 (e) Pedestrian ways along or across a street or a beach,
2-19 whether at grade or above or below the surface, and street lighting,
2-20 street landscaping, vehicle parking, and street art objects are
2-21 parts of and necessary components of a street and a beach and are
2-22 considered to be an improvement project that includes a street,
2-23 road, or beach improvement.

2-24 (f) The district will not act as the agent or
2-25 instrumentality of any private interest even though the district
2-26 will benefit many private interests as well as the public.

2-27 Sec. 3869.005. DISTRICT TERRITORY. (a) The district is
2-28 composed of the territory described by Section 2 of the Act creating
2-29 this chapter, as that territory may have been modified under
2-30 Section 3869.107 or other law.

2-31 (b) A mistake in the field notes of the district contained
2-32 in Section 2 of the Act creating this chapter or in copying the
2-33 field notes in the legislative process does not in any way affect:

2-34 (1) the district's organization, existence, or
2-35 validity;

2-36 (2) the district's right to contract, including the
2-37 right to issue any type of bond or other obligation for a purpose
2-38 for which the district is created;

2-39 (3) the district's right to impose or collect an
2-40 assessment, tax, or any other revenue; or

2-41 (4) the legality or operation of the board.

2-42 Sec. 3869.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

2-43 (a) All or any part of the area of the district is eligible to be
2-44 included in:

2-45 (1) a tax increment reinvestment zone created by the
2-46 city under Chapter 311, Tax Code;

2-47 (2) a tax abatement reinvestment zone created by the
2-48 city under Chapter 312, Tax Code; or

2-49 (3) an enterprise zone created by the city under
2-50 Chapter 2303, Government Code.

2-51 (b) If the city creates a tax increment reinvestment zone
2-52 described by Subsection (a), the district may accept and use money
2-53 deposited in the tax increment fund, in accordance with a contract
2-54 between the city and the district, for a purpose Section
2-55 380.002(b), Local Government Code, authorizes for a corporation.
2-56 The district may pledge the money granted as security for bonds
2-57 issued by the district for an improvement project.

2-58 Sec. 3869.007. CONSTRUCTION OF "AD VALOREM TAX." In this
2-59 chapter, a reference in law to an ad valorem tax refers to an ad
2-60 valorem tax imposed by the district and not an ad valorem tax
2-61 imposed by the city.

2-62 Sec. 3869.008. LIABILITY RESULTING FROM DISTRICT ACTION.
2-63 An action of the district or the board does not create a liability
2-64 against the city or any other political subdivision.

2-65 [Sections 3869.009-3869.050 reserved for expansion]

2-66 SUBCHAPTER B. BOARD OF DIRECTORS

2-67 Sec. 3869.051. GOVERNING BODY; TERMS. The district is
2-68 governed by a board of five voting directors appointed under
2-69 Section 3869.052 and three nonvoting directors serving ex officio

3-1 as provided by Section 3869.054. The five voting directors serve
3-2 staggered terms of four years.

3-3 Sec. 3869.052. APPOINTED DIRECTORS. The governing body of
3-4 the city shall appoint the voting directors and shall appoint a
3-5 director to fill each vacancy that occurs on the board, with the
3-6 appointee to serve for the unexpired term of the former director.

3-7 Sec. 3869.053. ELIGIBILITY OF APPOINTED DIRECTORS. (a) To
3-8 be qualified to serve as a voting director appointed under Section
3-9 3869.052, a person must be at least 18 years old and:

3-10 (1) a resident of the district who is also a registered
3-11 voter of the district;

3-12 (2) an owner of property in the district;

3-13 (3) an owner of stock, whether beneficial or
3-14 otherwise, of a corporate owner of property in the district;

3-15 (4) an owner of a beneficial interest in a trust that
3-16 owns property in the district; or

3-17 (5) an agent, employee, or tenant of a person
3-18 described by Subdivision (2), (3), or (4).

3-19 (b) Section 49.052, Water Code, does not apply to the
3-20 district.

3-21 Sec. 3869.054. EX OFFICIO DIRECTORS. (a) The following
3-22 persons serve ex officio as nonvoting directors:

3-23 (1) an assistant city manager of the city appointed by
3-24 the city manager of the city;

3-25 (2) the chief financial officer of the city; and

3-26 (3) the economic development director of the city.

3-27 (b) If an office described in Subsection (a) is renamed,
3-28 changed, or abolished, the governing body of the city may appoint
3-29 another officer or employee of the city who performs duties
3-30 comparable to those performed by the officer described by
3-31 Subsection (a).

3-32 Sec. 3869.055. FILING OATH OR AFFIRMATION. An initial and
3-33 an appointed director's oath or affirmation of office shall be
3-34 filed with the district and the district shall retain the oath or
3-35 affirmation in the district records.

3-36 Sec. 3869.056. OFFICERS. The board shall elect from among
3-37 the initial and appointed directors a presiding officer, an
3-38 assistant presiding officer, and a secretary.

3-39 Sec. 3869.057. COMPENSATION; EXPENSES; LIABILITY INSURANCE
3-40 FOR DIRECTORS. (a) The district may compensate each initial and
3-41 each appointed voting director in an amount not to exceed \$50 for
3-42 each board meeting. The total amount of compensation per appointed
3-43 director per year may not exceed \$2,000. The district may not
3-44 compensate a director serving ex officio.

3-45 (b) An initial or appointed voting director is entitled to
3-46 reimbursement for necessary and reasonable expenses incurred in
3-47 carrying out the duties and responsibilities of a director. A
3-48 director serving ex officio is not entitled to reimbursement.

3-49 (c) The district may obtain and pay for comprehensive
3-50 general liability insurance coverage from commercial insurance
3-51 companies or other sources that protect and insure the directors
3-52 against personal liability and from any and all claims for actions
3-53 taken as directors or actions and activities taken by the district
3-54 or by others acting on its behalf.

3-55 Sec. 3869.058. CONFLICTS OF INTEREST. (a) An initial or
3-56 appointed director may participate in a board discussion or vote
3-57 only if the director complies with Subsection (b).

3-58 (b) A director who has a substantial interest in a business
3-59 or charitable entity that will receive a pecuniary benefit from a
3-60 board action shall file an affidavit with the board secretary
3-61 declaring the interest. Another affidavit is not required if the
3-62 director's interest changes.

3-63 (c) After the affidavit is filed, the director may
3-64 participate in a discussion or vote if:

3-65 (1) a majority of the appointed directors have a
3-66 similar interest in the same entity;

3-67 (2) all other similar businesses or charitable
3-68 entities in the district will receive a similar pecuniary benefit;
3-69 or

4-1 (3) the appointed director is a property owner in the
4-2 district.

4-3 (d) Section 171.004, Local Government Code, does not apply
4-4 to the district.

4-5 Sec. 3869.059. INITIAL DIRECTORS. (a) The initial board
4-6 consists of the three ex officio directors described by Section
4-7 3869.054 and the following five voting directors:

Place No.	Name of Initial Director
Place 1	Stacy Costello
Place 2	Toni Duclottni
Place 3	Mark Patterson
Place 4	Kevin Mutschler
Place 5	Ronald Batts

4-14 (b) The terms of the initial directors of Places 1 and 2
4-15 expire on July 1, 2011, and the terms of the initial directors of
4-16 Places 3, 4, and 5 expire on July 1, 2013.

4-17 (c) Subsequent voting directors are appointed for four-year
4-18 terms by the governing body of the city under Section 3869.052.

4-19 (d) This section expires September 1, 2013.

4-20 [Sections 3869.060-3869.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

4-22 Sec. 3869.101. GENERAL POWERS AND DUTIES. The district has
4-23 the duties imposed and the powers granted by this chapter and the
4-24 powers provided by:

4-25 (1) the general laws relating to conservation and
4-26 reclamation districts created under Section 59, Article XVI, Texas
4-27 Constitution, including Chapters 49 and 54, Water Code;

4-28 (2) the general laws relating to road districts and
4-29 road utility districts created under Section 52, Article III, Texas
4-30 Constitution;

4-31 (3) Subchapter A, Chapter 372, Local Government Code,
4-32 to a municipality or county;

4-33 (4) Chapter 375, Local Government Code;

4-34 (5) Chapter 505, Local Government Code, to a
4-35 corporation created under that chapter; and

4-36 (6) Chapter 1371, Government Code, to an issuer, as
4-37 defined by that chapter.

4-38 Sec. 3869.102. IMPROVEMENT PROJECTS. (a) To the extent
4-39 authorized by a project development agreement entered into under
4-40 Section 3869.160, the district may provide, or enter into contracts
4-41 with a governmental or private entity to provide, the following
4-42 types of improvement projects or activities in support of or
4-43 incidental to those projects:

4-44 (1) a supply and distribution facility or system to
4-45 provide potable and nonpotable water to the residents and
4-46 businesses of the district, including a wastewater collection
4-47 facility;

4-48 (2) a paved, macadamized, or graveled road or street,
4-49 inside and outside the district, to the full extent authorized by
4-50 Section 52, Article III, Texas Constitution;

4-51 (3) the planning, design, construction, improvement,
4-52 and maintenance of:

4-53 (A) landscaping;

4-54 (B) highway right-of-way or transit corridor
4-55 beautification and improvement;

4-56 (C) lighting, banners, and signs;

4-57 (D) a street or sidewalk;

4-58 (E) a hiking and cycling path or trail;

4-59 (F) a pedestrian walkway, skywalk, crosswalk, or
4-60 tunnel;

4-61 (G) a beach, park, lake, garden, recreational
4-62 facility, community activities center, dock, wharf, sports
4-63 facility, open space, scenic area, or related exhibit or preserve;

4-64 (H) a fountain, plaza, or pedestrian mall; or

4-65 (I) a drainage or storm water detention
4-66 improvement;

4-67 (4) protection and improvement of the quality of storm
4-68 water that flows through the district;

4-69 (5) the planning, design, construction, improvement,

5-1 maintenance, and operation of an off-street parking facility or
 5-2 heliport;
 5-3 (6) the planning, design, construction, improvement,
 5-4 maintenance, and operation of a water or sewer facility;
 5-5 (7) the planning and acquisition of:
 5-6 (A) public art and sculpture and related exhibits
 5-7 and facilities; or
 5-8 (B) an educational facility and a cultural
 5-9 exhibit or facility;
 5-10 (8) the planning, design, construction, acquisition,
 5-11 lease, rental, improvement, maintenance, installation, and
 5-12 management of and provision of furnishings for a facility for:
 5-13 (A) a conference, convention, or exhibition;
 5-14 (B) a manufacturer, consumer, or trade show;
 5-15 (C) a civic, community, or institutional event;
 5-16 or
 5-17 (D) an exhibit, display, attraction, special
 5-18 event, or seasonal or cultural celebration or holiday;
 5-19 (9) the removal, razing, demolition, or clearing of
 5-20 land or improvements in connection with an improvement project;
 5-21 (10) the acquisition and improvement of land or other
 5-22 property for the mitigation of the environmental effects of an
 5-23 improvement project;
 5-24 (11) the acquisition of property or an interest in
 5-25 property in connection with an authorized improvement project,
 5-26 including any project authorized by Subchapter A, Chapter 372,
 5-27 Local Government Code;
 5-28 (12) a special or supplemental service for the
 5-29 improvement and promotion of the district or an area adjacent to the
 5-30 district or for the protection of public health and safety or the
 5-31 environment in or adjacent to the district, including:
 5-32 (A) advertising;
 5-33 (B) promotion;
 5-34 (C) tourism;
 5-35 (D) health and sanitation;
 5-36 (E) public safety;
 5-37 (F) security;
 5-38 (G) fire protection or emergency medical
 5-39 services;
 5-40 (H) business recruitment;
 5-41 (I) development;
 5-42 (J) the reduction of automobile traffic volume
 5-43 and congestion, including the provision, construction, and
 5-44 operation of light rail or streetcar systems and services; and
 5-45 (K) recreational, educational, or cultural
 5-46 improvements, enhancements, and services; or
 5-47 (13) any similar public improvement, facility, or
 5-48 service.
 5-49 (b) The district may not undertake a project under this
 5-50 section unless:
 5-51 (1) the board determines the project to be necessary
 5-52 to accomplish a public purpose of the district; and
 5-53 (2) the project is authorized by a project development
 5-54 agreement entered into under Section 3869.160.
 5-55 (c) An improvement project must comply with any applicable
 5-56 codes and ordinances of the city.
 5-57 (d) The district may not provide, conduct, or authorize any
 5-58 improvement project on streets, highways, rights-of-way, or
 5-59 easements of the city without the consent of the governing body of
 5-60 the city.
 5-61 (e) The district shall transfer to the city title to all or
 5-62 any portion of an improvement project as provided by a project
 5-63 development agreement entered into under Section 3869.160.
 5-64 (f) If authorized by the city, the district may own,
 5-65 encumber, maintain, and operate an improvement project, subject to
 5-66 the right of the city to order a conveyance of the project to the
 5-67 city on a date determined by the city.
 5-68 (g) The district shall immediately comply with an
 5-69 ordinance, order, or resolution the city adopts to require the

6-1 district to transfer title to an improvement project to the city.
6-2 (h) For the purposes of this section, planning, design,
6-3 construction, improvement, and maintenance of a body of water
6-4 includes work done for drainage, reclamation, or recreation.

6-5 Sec. 3869.103. GENERAL POWERS REGARDING CONTRACTS.

6-6 (a) The district may:
6-7 (1) contract with any person to accomplish any
6-8 district purpose included in a project development agreement
6-9 entered into under Section 3869.160, including a contract for:

6-10 (A) the payment, repayment, or reimbursement of
6-11 costs incurred by that person on behalf of the district, including
6-12 all or part of the costs of an improvement project and interest on
6-13 the reimbursed cost; or

6-14 (B) the use, occupancy, lease, rental,
6-15 operation, maintenance, or management of all or part of a proposed
6-16 or existing improvement project; and

6-17 (2) apply for and contract with any person to receive,
6-18 administer, and perform a duty or obligation of the district under a
6-19 federal, state, local, or private gift, grant, loan, conveyance,
6-20 transfer, bequest, or other financial assistance arrangement
6-21 relating to the investigation, planning, analysis, study, design,
6-22 acquisition, construction, improvement, completion,
6-23 implementation, or operation by the district or others of a
6-24 proposed or existing improvement project.

6-25 (b) A contract the district enters into to carry out a
6-26 purpose of this chapter may be on any terms and for any period the
6-27 board determines, including a negotiable or nonnegotiable note or
6-28 warrant payable to the city, Nueces County, or any other person.

6-29 (c) Any person, including the city, may contract with the
6-30 district to carry out the purposes of this chapter without further
6-31 statutory or other authorization.

6-32 Sec. 3869.104. RULES; ENFORCEMENT. (a) The district may
6-33 adopt rules:

6-34 (1) to administer or operate the district;
6-35 (2) for the use, enjoyment, availability, protection,
6-36 security, and maintenance of the district's property and
6-37 facilities; or

6-38 (3) to provide for public safety and security in the
6-39 district, including the regulation or prohibition of automobiles
6-40 and other motor vehicles from using, entering, or traveling in
6-41 certain limited access areas in the district, except for safety and
6-42 emergency purposes.

6-43 (b) The district may enforce its rules by injunctive relief.

6-44 (c) To the extent a district rule conflicts with a rule,
6-45 order, ordinance, or regulation of the city, the rule, order,
6-46 ordinance, or regulation controls.

6-47 Sec. 3869.105. NAME CHANGE. The board by resolution may
6-48 change the district's name. The board shall give written notice of
6-49 the change to the city.

6-50 Sec. 3869.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OF
6-51 DISTRICT. (a) The board by rule may regulate the private use of a
6-52 public roadway, open space, park, sidewalk, or similar public area
6-53 in the district. To the extent the district rules conflict with a
6-54 rule, order, ordinance, or regulation of the city, the rule, order,
6-55 ordinance, or regulation of the city controls. A rule may provide
6-56 for the safe and orderly use of public roadways, open spaces, parks,
6-57 sidewalks, and similar public areas or facilities.

6-58 (b) In addition to any permit required by the city, the
6-59 board may require a permit for a parade, demonstration,
6-60 celebration, entertainment event, or similar nongovernmental
6-61 activity in or on a public roadway, open space, park, sidewalk,
6-62 beach, or similar public area or facility owned by the district.
6-63 The board may charge a fee for the permit application or for public
6-64 safety or security services for those facilities in an amount the
6-65 board considers necessary.

6-66 (c) In addition to any permit required by the city, the
6-67 board may require a permit or franchise agreement with a vendor,
6-68 concessionaire, exhibitor, or similar private or commercial person
6-69 or organization for the limited use of the area or facility owned by

7-1 the district on terms and on payment of a permit or franchise fee
7-2 the board may impose.
7-3 Sec. 3869.107. ADDING OR REMOVING TERRITORY. As provided
7-4 by Subchapter J, Chapter 49, Water Code, the board may add territory
7-5 to the district, subject to Section 54.016, Water Code, or remove
7-6 territory from the district, except that:
7-7 (1) the addition or removal of the territory must be:
7-8 (A) included in an amended project development
7-9 agreement entered into under Section 3869.160;
7-10 (B) approved by the governing body of the city;
7-11 and
7-12 (C) approved by the owners of the territory being
7-13 added or removed;
7-14 (2) a reference to a tax in Subchapter J, Chapter 49,
7-15 or Section 54.016, Water Code, means an ad valorem tax; and
7-16 (3) territory may not be removed from the district if
7-17 bonds or other obligations of the district payable wholly or partly
7-18 from ad valorem taxes or assessments levied or assessed on the
7-19 territory are outstanding.
7-20 Sec. 3869.108. ECONOMIC DEVELOPMENT. (a) The district may
7-21 create an economic development program authorized by Section 52-a,
7-22 Article III, Texas Constitution, and may impose an ad valorem tax in
7-23 support of the program if the tax is approved by the district's
7-24 voters.
7-25 (b) The district may exercise the economic development
7-26 powers that:
7-27 (1) Chapter 380, Local Government Code, provides to a
7-28 municipality with a population of more than 100,000; and
7-29 (2) Chapter 1509, Government Code, provides to a
7-30 municipality.
7-31 Sec. 3869.109. TERMS OF EMPLOYMENT; COMPENSATION. The
7-32 board may employ and establish the terms of employment and
7-33 compensation of an executive director or general manager and any
7-34 other district employees the board considers necessary.
7-35 Sec. 3869.110. NO EMINENT DOMAIN POWER. The district may
7-36 not exercise the power of eminent domain.
7-37 [Sections 3869.111-3869.150 reserved for expansion]
7-38 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
7-39 Sec. 3869.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.
7-40 Except as provided by Section 3869.160, and subject to a project
7-41 development agreement entered into under Section 3869.160, the
7-42 district may:
7-43 (1) impose an ad valorem tax on all taxable property in
7-44 the district, including industrial, commercial, and residential
7-45 property, to pay for an improvement project of a type authorized by
7-46 Section 52, Article III, or Section 59, Article XVI, Texas
7-47 Constitution, or to secure payment of bonds issued to pay for those
7-48 projects;
7-49 (2) impose an assessment on property in the district
7-50 to pay the cost of maintenance of any authorized district
7-51 improvement in the manner provided for:
7-52 (A) a district under Subchapters A, E, and F,
7-53 Chapter 375, Local Government Code; or
7-54 (B) a municipality or county under Subchapter A,
7-55 Chapter 372, Local Government Code;
7-56 (3) provide or secure the payment or repayment of any
7-57 bond, note, other temporary or permanent obligation,
7-58 reimbursement, or other contract with any person; or
7-59 (4) provide or secure the payment or repayment of the
7-60 costs and expenses of the establishment, administration, and
7-61 operation of the district and the district's costs or share of the
7-62 costs or revenue of an improvement project or district contractual
7-63 obligation or indebtedness by or through:
7-64 (A) the imposition of an ad valorem tax, or an
7-65 assessment, user fee, concession fee, or rental charge; or
7-66 (B) any other revenue or resources of the
7-67 district, or other revenues authorized by the city, including
7-68 revenues from a tax increment reinvestment zone created by the
7-69 city;

8-1 (5) establish user charges related to the operation of
8-2 storm water facilities, including the regulation of storm water for
8-3 the protection of water quality in the district;

8-4 (6) establish user charges for the use of nonpotable
8-5 water for irrigation purposes, subject to the approval of the
8-6 governing body of the city;

8-7 (7) undertake separately or jointly with other
8-8 persons, including the city or Nueces County, all or part of the
8-9 cost of an improvement project, including an improvement project:

8-10 (A) for improving, enhancing, and supporting
8-11 public safety and security, fire protection and emergency medical
8-12 services, and law enforcement in and adjacent to the district; or

8-13 (B) that confers a general benefit on the entire
8-14 district or a special benefit on a definable part of the district;
8-15 and

8-16 (8) enter into a tax abatement agreement in accordance
8-17 with the general laws of this state authorizing and applicable to
8-18 tax abatement agreements by municipalities.

8-19 Sec. 3869.152. BORROWING MONEY. The district may borrow
8-20 money for a district purpose included in a project development
8-21 agreement entered into under Section 3869.160 by issuing or
8-22 executing bonds, notes, credit agreements, or other obligations of
8-23 any kind found by the board to be necessary or appropriate for the
8-24 district purpose. The bond, note, credit agreement, or other
8-25 obligation must be secured by and payable from ad valorem taxes,
8-26 assessments, or any combination thereof or from other district
8-27 revenue.

8-28 Sec. 3869.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION.

8-29 (a) The district may impose an impact fee or assessment included
8-30 in a project development agreement entered into under Section
8-31 3869.160 on property in the district, including an impact fee or
8-32 assessment on residential or commercial property, only in the
8-33 manner provided by Subchapter A, Chapter 372, or by Subchapter F,
8-34 Chapter 375, Local Government Code, for a municipality, county, or
8-35 district, according to the benefit received by the property.

8-36 (b) An impact fee for residential property must be for the
8-37 limited purpose of providing capital funding for:

- 8-38 (1) public water and wastewater facilities;
- 8-39 (2) drainage and storm water facilities; and
- 8-40 (3) streets and alleys.

8-41 (c) An assessment, a reassessment, or an assessment
8-42 resulting from an addition to or correction of the assessment roll
8-43 by the district, penalties and interest on an assessment or
8-44 reassessment, an expense of collection, and reasonable attorney's
8-45 fees incurred by the district are:

- 8-46 (1) a first and prior lien against the property
8-47 assessed; and
- 8-48 (2) superior to any other lien or claim other than a
8-49 lien or claim for county, school district, or municipal ad valorem
8-50 taxes.

8-51 (d) The lien of an assessment against property runs with the
8-52 land. That portion of an assessment payment obligation that has not
8-53 yet come due is not eliminated by the foreclosure of an ad valorem
8-54 tax lien, and any purchaser of property in a foreclosure of an ad
8-55 valorem tax lien takes the property subject to the assessment
8-56 payment obligations that have not yet come due and to the lien and
8-57 terms of payment under the assessment ordinance or order.

8-58 (e) The board may make a correction to or deletion from the
8-59 assessment roll that does not increase the amount of assessment of
8-60 any parcel of land without providing notice and holding a hearing in
8-61 the manner required for additional assessments.

8-62 (f) The district may not impose an impact fee on the
8-63 property, including equipment and facilities, of a public utility
8-64 provider in the district.

8-65 Sec. 3869.154. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.
8-66 Section 375.161, Local Government Code, does not apply to the
8-67 district.

8-68 Sec. 3869.155. MAINTENANCE AND OPERATION TAX; ELECTION.

8-69 (a) To the extent authorized by a project development agreement

9-1 entered into under Section 3869.160, the district may impose a tax
9-2 for maintenance and operation purposes, including for:

9-3 (1) planning, constructing, acquiring, maintaining,
9-4 repairing, and operating all improvement projects, including land,
9-5 plants, works, facilities, improvements, appliances, and equipment
9-6 of the district; and

9-7 (2) paying costs of services, engineering and legal
9-8 fees, and organization and administrative expenses.

9-9 (b) The district may not impose a maintenance and operation
9-10 tax unless the maintenance and operation tax is approved by a
9-11 majority of the district voters voting at an election held for that
9-12 purpose. The proposition in a maintenance and operation tax
9-13 election may be for a specific maximum rate or for an unlimited
9-14 rate. If a maximum tax rate is approved, the board may impose the
9-15 tax at any rate that does not exceed the approved rate.

9-16 (c) A maintenance and operation tax election may be held at
9-17 the same time and in conjunction with any other district election.
9-18 The election may be called by a separate election order or as part
9-19 of any other election order.

9-20 Sec. 3869.156. USE OF SURPLUS MAINTENANCE AND OPERATION
9-21 MONEY. If the district has surplus maintenance and operation tax
9-22 money that is not needed for the purposes for which it was
9-23 collected, the money may be used for any authorized purpose.

9-24 Sec. 3869.157. BONDS AND OTHER OBLIGATIONS; MUNICIPAL
9-25 APPROVAL. (a) Except as provided by Sections 3869.159 and
9-26 3869.160, the district may issue by competitive bid or negotiated
9-27 sale bonds, notes, or other obligations payable wholly or partly
9-28 from ad valorem taxes, or by assessments in the manner provided by
9-29 Subchapter A, Chapter 372, or by Subchapter J, Chapter 375, Local
9-30 Government Code.

9-31 (b) In exercising the district's borrowing power, the
9-32 district may issue a bond or other obligation in the form of a bond,
9-33 note, certificate of participation or other instrument evidencing a
9-34 proportionate interest in payments to be made by the district, or
9-35 any other type of obligation.

9-36 (c) In addition to the sources of money described by
9-37 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
9-38 Government Code, district bonds may be secured and made payable,
9-39 wholly or partly, by a pledge of any part of the money the district
9-40 receives from system or improvement revenues or from any other
9-41 source, to the extent authorized by a project development agreement
9-42 entered into under Section 3869.160.

9-43 Sec. 3869.158. BOND MATURITY. Bonds may mature not more
9-44 than 40 years from their date of issue.

9-45 Sec. 3869.159. TAXES FOR BONDS AND OTHER OBLIGATIONS.

9-46 (a) At the time bonds or other obligations payable wholly or
9-47 partly from ad valorem taxes are issued:

9-48 (1) the board shall impose a continuing direct annual
9-49 ad valorem tax, without limit as to rate or amount, for each year
9-50 that all or part of the bonds are outstanding; and

9-51 (2) the district annually shall impose an ad valorem
9-52 tax on all taxable property in the district in an amount sufficient
9-53 to:

9-54 (A) pay the interest on the bonds or other
9-55 obligations as the interest becomes due;

9-56 (B) create a sinking fund for the payment of the
9-57 principal of the bonds or other obligations when due or the
9-58 redemption price at any earlier required redemption date; and

9-59 (C) pay the expenses of imposing the taxes.

9-60 (b) Bonds or other obligations that are secured by and
9-61 payable from ad valorem taxes may not be issued unless the bonds and
9-62 the imposition of the taxes are approved by a majority of the
9-63 district voters voting at an election held for that purpose.

9-64 (c) The district shall hold an election required by this
9-65 section in the manner provided by Chapter 54, Water Code.

9-66 Sec. 3869.160. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO
9-67 UNDERTAKE PROJECTS, IMPOSE TAXES, OR BORROW MONEY, INCLUDING BONDS.

9-68 (a) Before the district may undertake projects, issue bonds,
9-69 impose taxes, or borrow money, the district and the city must

10-1 negotiate and execute a mutually approved and accepted project
10-2 development agreement regarding the development plans and rules
10-3 for:

- 10-4 (1) the development and operation of the district; and
- 10-5 (2) the financing of improvement projects.

10-6 (b) The agreement must:

- 10-7 (1) describe each project the district intends to
- 10-8 undertake;
- 10-9 (2) include a financing plan specifying how each
- 10-10 project will be financed; and
- 10-11 (3) provide a procedure and rules for amending the
- 10-12 agreement.

10-13 [Sections 3869.161-3869.200 reserved for expansion]

10-14 SUBCHAPTER E. DISSOLUTION

10-15 Sec. 3869.201. DISSOLUTION BY ORDINANCE. (a) The city by
10-16 ordinance may dissolve the district on its own volition or at the
10-17 request of the board.

10-18 (b) The city may not dissolve a district until that
10-19 district's outstanding indebtedness or contractual obligations
10-20 that are payable from ad valorem taxes have been repaid or
10-21 discharged.

10-22 (c) The city may not dissolve a district until the agreement
10-23 under Section 3869.160 has been executed and the district's
10-24 performance under the agreement has been fulfilled, including any
10-25 right or obligation the district has to reimburse a developer or
10-26 owner for the costs of improvement projects.

10-27 Sec. 3869.202. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

10-28 (a) If the dissolved district has bonds or other obligations
10-29 outstanding secured by and payable from assessments or other
10-30 revenue, other than ad valorem taxes, the city shall succeed to the
10-31 rights and obligations of the district regarding enforcement and
10-32 collection of the assessments or other revenue.

10-33 (b) The city has and shall exercise all district powers to
10-34 enforce and collect the assessments or other revenue to pay:

- 10-35 (1) the bonds or other obligations when due and
- 10-36 payable according to their terms; or
- 10-37 (2) special revenue or assessment bonds or other
- 10-38 obligations issued by the city to refund the outstanding bonds or
- 10-39 obligations.

10-40 Sec. 3869.203. ASSUMPTION OF ASSETS AND LIABILITIES. After
10-41 the city dissolves the district, the city assumes, subject to the
10-42 appropriation and availability of funds, the obligations of the
10-43 district, including any bonds or other revenue.

10-44 SECTION 2. The Padre Island Gateway Municipal Management
10-45 District shall include the 45.856 acre tract of land out of Blocks 1
10-46 and 2, Padre Island - Corpus Christi Section 18, a map of which is
10-47 recorded in Volume 38, Pages 69 and 70, Map Records of Nueces
10-48 County, Texas; said 45.586 acre tract being more fully described by
10-49 metes and bounds as follows:

10-50 Beginning at a corner of Padre Island Nueces County Park No.
10-51 2, for the northwest corner of Lot I, Block 4, Padre Island Section
10-52 18, a map of which is recorded in Volume 57, Page 105, Map Records of
10-53 Nueces County, Texas, same being the southeast corner of this
10-54 tract, from which corner the north boundary of South Padre Island
10-55 Drive, a public roadway, for the southwest corner of said Lot 1
10-56 bears South 39°12'40" West 399.98 feet;

10-57 Thence, along the south boundary of this tract as follows:

- 10-58 North 39°12'40" East 50.62 feet;
- 10-59 North 59°01'18" West 58.15 feet;
- 10-60 North 24°49'46" West, 65.47 feet;
- 10-61 North 39°28'15" West, 52.76 feet;
- 10-62 North 82°20'42" West, 55.35 feet;
- 10-63 North 67°56'24" West, 39.39 feet;
- 10-64 North 31°45'02" West, 111.21 feet;
- 10-65 South 83°02'11" West, 42.36 feet;
- 10-66 North 69°08'53" West, 50.34 feet;
- 10-67 North 32°59'21" East, 44.81 feet;
- 10-68 North 34°17' 14" East, 32.65 feet;
- 10-69 South 81°37'02" West, 33.57 feet;

11-1 South 38°22'00" West, 35.15 feet;
 11-2 North 81°42'50" West, 20.77 feet;
 11-3 South 55°30'57" West, 90.72 feet;
 11-4 South 87°48'14" West, 33.48 feet;
 11-5 South 13°11'52" West, 24.55 feet;
 11-6 North 59°56'59" West, 8.13 feet;
 11-7 North 00°41'45" East, 40.61 feet;
 11-8 North 01°44'23" West, 145.17 feet;
 11-9 North 12°01'38" West, 16.72 feet;
 11-10 South 86°32'51" West, 156.63 feet;
 11-11 South 05°46'00" East, 11.04 feet;
 11-12 South 22°36'18" West, 94.42 feet;
 11-13 South 32°35'45" West, 119.26 feet;
 11-14 South 61°02'05" West, 62.66 feet;
 11-15 South 16°12'44" West, 22.95 feet;
 11-16 South 28°34'51" West, 30.73 feet;
 11-17 South 44°06'14" West, 22.87 feet;
 11-18 North 73°02'08" West, 9.22 feet;
 11-19 North 04°10'31" West, 24.32 feet;
 11-20 North 27°14'31" East, 21.05 feet;
 11-21 North 22°53'30" East, 7.43 feet;
 11-22 North 88°59'13" West, 51.70 feet;
 11-23 North 79°32'56" West, 88.00 feet;
 11-24 North 58°19'46" West, 75.33 feet;
 11-25 North 71°16' 35" West, 43.42 feet for the southwest corner of
 11-26 this tract;
 11-27 Thence, along the west boundary of this tract, same being the
 11-28 southerly shoreline of Packery channel as accepted by Texas General
 11-29 Land Office per letter dated April 30, 1998, as follows:
 11-30 North 55°13'55" East, 28.37 feet;
 11-31 South 65°51'29" East, 41.25 feet;
 11-32 South 64°19'51" East, 64.68 feet;
 11-33 North 55°13'55" East, 340.15 feet;
 11-34 North 31°53' 53" East, 30.54 feet;
 11-35 North 44°56'59" East, 29.80 feet;
 11-36 North 51°27'13" East, 36.11 feet;
 11-37 North 65°50'19" East, 55.92 feet;
 11-38 North 55°35'00" East, 42.51 feet;
 11-39 North 33°31'45" East, 51.92 feet;
 11-40 North 38°31'45" East, 17.85 feet;
 11-41 North 20°25'53" East, 102.95 feet;
 11-42 North 81°59'03" East, 65.59 feet;
 11-43 North 72°34'53" East, 67.69 feet;
 11-44 North 71°49'28" East, 59.60 feet;
 11-45 North 01°51'03" East, 48.09 feet;
 11-46 North 17°45'00" East, 64.91 feet;
 11-47 North 78°04'21" West, 66.41 feet;
 11-48 South 87°15'19" West, 100.76 feet;
 11-49 South 49°35'03" West, 65.86 feet;
 11-50 South 49°10'34" West, 38.32 feet;
 11-51 North 00°43'54" East, 49.68 feet;
 11-52 North 37°24'35" East, 144.97 feet;
 11-53 North 37°46'47" East, 112.88 feet;
 11-54 North 20°05'37" East, 76.29 feet;
 11-55 North 32°42'34" East, 310.32 feet;
 11-56 North 40°30'15" East, 113.40 feet;
 11-57 North 44°0'29" East, 95.30 feet for the northwest corner of
 11-58 this tract;
 11-59 Thence, along the north boundary of this tract as follows:
 11-60 North 72°59'05" East, 96.30 feet;
 11-61 South 88°10'08" East, 103.26 feet;
 11-62 North 89°03'23" East, 166.00 feet;
 11-63 South 84°18'24" East, 125.72 feet;
 11-64 South 69°40'03" East, 110.24 feet;
 11-65 South 71°56'18" East, 51.70 feet;
 11-66 South 53°05'14" East, 121.61 feet;
 11-67 South 27°54'36" East, 77.28 feet;
 11-68 South 60°35'14" East, 107.60 feet;
 11-69 South 49°53'53" East, 57.14 feet;

12-1 South 37°33'52" East, 126.22 feet;
 12-2 South 37°53'45" East, 108.63 feet;
 12-3 South 20°07'15" East, 69.56 feet;
 12-4 North 80°07'23" East, 38.18 feet;
 12-5 South 55°27'21" East, 94.45 feet;
 12-6 South 51°43'16" East, 112.40 feet;
 12-7 South 09°00'57" West, 65.74 feet;
 12-8 South 37°39'14" East, 146.26 feet;
 12-9 South 45°43'19" East, 131.51 feet;
 12-10 South 41°40'27" East, 76.82 feet for the northeast corner of

12-11 this tract;

12-12 Thence, South 68°11' 13" West, along the east boundary of said
 12-13 Block 2 and of this tract, same being the west boundary of said
 12-14 Padre Island Nueces County Park No. 2, a distance of 1592.69 feet to
 12-15 the Point of Beginning and containing 45.856 acres of land

12-16 SECTION 3. (a) The legal notice of the intention to
 12-17 introduce this Act, setting forth the general substance of this
 12-18 Act, has been published as provided by law, and the notice and a
 12-19 copy of this Act have been furnished to all persons, agencies,
 12-20 officials, or entities to which they are required to be furnished
 12-21 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 12-22 Government Code.

12-23 (b) The governor, one of the required recipients, has
 12-24 submitted the notice and Act to the Texas Commission on
 12-25 Environmental Quality.

12-26 (c) The Texas Commission on Environmental Quality has filed
 12-27 its recommendations relating to this Act with the governor, the
 12-28 lieutenant governor, and the speaker of the house of
 12-29 representatives within the required time.

12-30 (d) All requirements of the constitution and laws of this
 12-31 state and the rules and procedures of the legislature with respect
 12-32 to the notice, introduction, and passage of this Act are fulfilled
 12-33 and accomplished.

12-34 SECTION 4. This Act takes effect immediately if it receives
 12-35 a vote of two-thirds of all the members elected to each house, as
 12-36 provided by Section 39, Article III, Texas Constitution. If this
 12-37 Act does not receive the vote necessary for immediate effect, this
 12-38 Act takes effect September 1, 2009.

12-39 * * * * *