



Legislation Text

File #: 15-0322, **Version:** 1

Consider and take action on an amendment to the Interlocal Agreement with the City of League City Section 4B Industrial Development Corporation for use of a portion of future Section 4B funds for reimbursement of city administrative services (Director of Parks & Cultural Services)

Approval of this item will amend the Interlocal Agreement with the City of League City Section 4B Industrial Development Corporation to reflect the recommendations of the Contract Administration Audit by Craig Hametner, City Auditor, on August 26, 2014.

Finding #6 of the audit, "4B Industrial Development Corporation", found that a city cannot provide anything of value to the 4B without due consideration. Attorney general opinion, no. JC-0109, states: "Thus, in answer to your question, section 21 of Article 5190.6, prohibits a city from giving money or services to a development corporation it has established. We note, however, that the Act does not preclude a city and development corporation from entering into a contract pursuant to which the city provides the development corporation with services in exchange for consideration from the development corporation."

On May 7, 2015, the League City 4B Industrial Development Corporation approved an amendment to the Interlocal Agreement between the City of League City and the Section 4B Industrial Development Corporation for reimbursement of city services. The 4B approved \$10,000 for FY2015 to be funded from the special fund set aside for maintenance and operations. Calculation of city services included but not limited to time of Director of Parks & Cultural Services, Parks Administrative Assistant, CIP Projects Administrator, Accounting Manager and Director of Finance.

CONTRACT ORIGINATION:

FUNDING

{ } NOT APPLICABLE

{ } Funds are available from Account # _____

{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____