

SUBJECT:	Updating the powers of the Lubbock Reese Redevelopment Authority
COMMITTEE:	County Affairs — favorable, without amendment
VOTE:	9 ayes — Coleman, Stucky, Anderson, Cason, Longoria, Lopez, Spiller, Stephenson, J. Turner  0 nays
WITNESSES:	None
BACKGROUND:	<p>Special District Local Laws Code ch. 3501 establishes the purposes and powers of the Lubbock Reese Redevelopment Authority. The authority was established by the Texas Legislature to receive property of the former Reese Air Force Base from the federal government.</p> <p>It has been suggested that statutory changes and additions are needed in order to align the authority's powers with other defense base development authorities.</p>
DIGEST:	<p>HB 4579 would include encouraging development of new industry by private businesses and the financing of redevelopment projects among the purposes of the Lubbock Reese Redevelopment Authority.</p> <p><b>Powers.</b> The bill would add to the authority's current specified powers the ability to:</p> <ul style="list-style-type: none"><li>• lend money for a purpose authorized by the relevant provisions of the Texas Constitution;</li><li>• authorize by resolution the incorporation of a nonprofit airport financing corporation as governed by the Transportation Code;</li><li>• exercise the powers granted to a local government for the financing of facilities located on airport property;</li><li>• lease, own, and operate an airport and exercise the relevant powers granted to local government by state law;</li></ul>

- lease, own, and operate port facilities for air, truck, and rail transportation;
- provide security for port functions, facilities, and operations;
- cooperate with and participate in programs and security efforts of the state and U.S. Department of Homeland Security; and
- participate as a member or partner of an entity organized to finance public purpose projects that relate to the development of the base property and surrounding areas or other development of property directly related to the purposes of the authority.

The bill also would give the authority's board, rather than the governing body of the city of Lubbock, the power to determine the maximum amount of money that the authority could borrow to acquire, improve, or operate a facility on base property.

The authority would be allowed to charge a fee for any service provided in relation to the authority's projects to fulfill an authority purpose, including consulting, real estate development services, venture capital support, joint venture assistance, and promotion of employee opportunities.

**Bonds.** The bill would allow the authority to issue bonds if authorized by board resolution. A bond issued by the authority would have to:

- be payable solely from authority revenue;
- mature no later than 40 years after issuance; and
- state that it was not an obligation of the state or a municipality.

The authority would be able to exercise the statutory powers granted to the governing body of an issuer with regard to the issuance of obligations and the execution of credit agreement.

**Other operations.** The bill would allow the authority to establish and operate an inland port and related facilities to engage in world trade. The authority also could implement a transportation project on the base property or outside the property to provide access to it. The authority could enter agreements to plan, finance, construct, or maintain a

transportation project and construct facilities as part of such a project.

**Meetings by telecommunication.** The bill would allow members of the authority's board or a board committee to attend meetings remotely through telecommunications if the president, vice president, chairperson, or vice chairperson, respectively, were physically present at the meeting. The meeting would have to be open to the public, and proper notice would be required, including specifying the location of the meeting. Upon any failure of two-way audio communication between members, the meeting would have to be stopped until the link was reestablished.

**Regulatory and tax exemptions.** The bill would exempt certain real estate construction projects under the authority from Government Code provisions related to public and private infrastructure and contracting and delivery procedures for construction projects.

The operations of the authority would be exempt from taxes imposed by the state or its political subdivisions. The bill also would specify that a leasehold or other possessory interest in real property granted by the authority for a redevelopment project under the bill's provisions would be exempt from certain property tax listing requirements. Commercial aircraft under construction in the authority and related tangible property would be exempt from property taxes.

The bill would take effect September 1, 2021.