

INDUSTRIAL DEVELOPMENT OPPORTUNITIES

The Fort Bend Economic Development Council explains that the county has missed several opportunities to attract and land major industrial operations, and the well-paying jobs that come with them, because Fort Bend County did not have an industrial site ready and available, or one that could be easily and quickly developed (i.e. shovel ready). Over the past couple of years as companies pursue re-shoring and near-shoring, the industrial and commercial site-selection process continues to evolve with significantly shortened project timelines. Fort Bend County needs to adjust to this new reality.

Some Texas communities and several states already have developed, available shovel ready sites, putting Fort Bend County at a significant disadvantage in its attempt to attract industrial investments.

To enable Fort Bend County to better compete for major industrial investments in the county, I recommend that the county appoint a committee to evaluate existing policies and legislation regarding the development of industrial sites. The Committee's purpose would be to review available options in the economic and workforce development, as well as legislative toolboxes to determine if the tools are sufficient to provide a means to fund development of industrial/manufacturing sites – or at minimum to fund the initial engineering/design of such sites.

Alternatively, the Committee could look at the possibility of joint efforts with property owners/developers to fund engineer/design such sites. It does not appear that current policy or legislation affords the county the opportunity to facilitate development of industrial sites in the most effective manner. If that proves to be the case, the Committee could recommend that the county propose modifications to existing, or new, legislation to allow Fort Bend County to create the necessary vehicle(s) that could facilitate and/or fund the development of shovel ready industrial sites. Such vehicle(s) could be Special Purpose Districts, specifically Industrial Development Districts. My suggestion is to make any legislation a “local bill” applying only to Fort Bend County, to make it easier to pass. The Committee should also work with stakeholders, developers, property owners, other public officials, and service providers to get their support for such legislation.

1. If legislation is required, then during the interim between the 2023 and 2025 legislative sessions, the Committee, with assistance from outside counsel, could work with the offices of our Texas State Delegation to craft legislation that applies only to Fort Bend County to allow for the creation of Industrial Development Districts or similar entity.

The districts/entities should have the authority to:

- a. Levy Property Taxes, Sales Taxes, Impact Fees, and Assessments, only within the District(s)/Entities boundaries, to fund the cost of development and improvements, and/or repayment of debt issued for that purpose.

- b. Issue Debt, similar to Municipal Utility Districts' Tax-Exempt Bonds to finance the improvements and developments.
- c. Enter into "Tax Increment Reinvestment" Agreements with the County, Cities, Special Purpose Districts, and School Districts, wherein the Industrial Development District(s)/Entities would receive reimbursement or abatement of no more than 50% of property taxes from these taxing entities to help fund the improvements-developments.
- d. Design and construct the necessary infrastructure and facilities for industrial operations, including:
 - i. all necessary roads and bridges
 - ii. all necessary flood mitigation, including detention and diversion channels
 - iii. all necessary rail extensions
 - iv. all necessary extensions of electrical and gas lines for power
 - v. all necessary broadband systems for communication
 - vi. all necessary water and sewer and other utility systems.
- e. Where possible, seek and secure federal, state, and private funding for the development of the property within the district/entity, including creating "Opportunity Zones" (that spur economic growth and job creation in low-income communities while providing tax benefits to investors).
- f. Enter into Agreements between the county, the District/Entity, the property owners, service providers, and the industrial firms to create the Industrial Development District(s)/Entities, which would design and construct the necessary improvements/infrastructure or have the property owners, developers, service providers, and/or industrial firms do so and reimburse their expenditures.

The Committee should also meet with the Governor's Office of Economic Development to inform that Office of the County's efforts and assess possible federal and/or state funding for development of industrial/manufacturing sites in the county or funding for the engineering and design of such sites.