

RESOLUTION NO. 176-01-12-18-3A

**RESOLUTION OF THE CITY OF PFLUGERVILLE, TEXAS
APPROVING THE ARTICLES OF INCORPORATION AND BYLAWS OF
PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION AND
AUTHORIZING PFLUGERVILLE COMMUNITY DEVELOPMENT
CORPORATION TO ACT ON THE CITY'S BEHALF TO FURTHER CERTAIN
PUBLIC PURPOSES OF THE CITY**

WHEREAS, the City Council of the City of Pflugerville, Texas, ordered an election be held on August 11, 2001 to submit a proposition (the "Proposition") on the levy and collection of an additional sales and use tax authorized under Section 4B of Vernon's Ann. Civ. Stat. Art. 5190.6 (as amended, the "Act"); and

WHEREAS, as evidenced by Resolution No. 117-01-08-14-Sup., the City Council canvassed the return of the vote for the Proposition and verified that the Proposition passed; and

WHEREAS, the incorporation of Pflugerville Community Development Corporation, as a development corporation governed by Section 4B of the Development Corporation Act of 1979, Article 5190.6 Vernon's Texas Civil Statutes (as amended, the "Act") will promote economic development within the City of Pflugerville and the State of Texas in order to eliminate unemployment and underemployment, and promote and encourage employment and the public welfare of, for, and on behalf of the City of Pflugerville by developing, purchasing, leasing, implementing, providing, and financing Projects under the Act and as "Projects" is defined in Section 4B of the Act, and will further the purposes of the Proposition.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PFLUGERVILLE, TEXAS THAT:

1. The facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct, and are incorporated by reference herein and are expressly made a part hereof, as if copied verbatim.
2. The City Council hereby authorizes and approves the Articles of Incorporation of Pflugerville Community Development Corporation (the "Articles of Incorporation"), a copy of which is attached hereto as Exhibit "A" and the Bylaws of Pflugerville Community Development Corporation, a copy of which is attached hereto as Exhibit "B".
3. The City Council hereby authorizes Pflugerville Community Development Corporation to further the purposes set forth in this Resolution and the Articles of Incorporation subject, however, to the restrictions and approvals required by the Articles of Incorporation.

4. The Mayor is hereby authorized to execute, and the City Secretary to attest, this Resolution.
5. This Resolution is effective immediately upon adoption.

RESOLVED THIS 18TH day of December, 2001.

CITY OF PFLUGERVILLE, TEXAS



G. SCOTT WINTON, MAYOR

ATTEST:

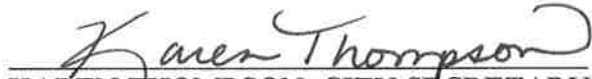

KAREN THOMPSON, CITY SECRETARY

EXHIBIT A
ARTICLES OF INCORPORATION

OF

PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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CITY OF PFLUGERVILLE

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WE, THE UNDERSIGNED natural persons, not less than three in number, each of whom is at least 18 years of age, and each of whom is a qualified elector of the City of Pflugerville, Texas, a municipal corporation established under the Texas Constitution, acting as incorporators of a public instrumentality and nonprofit development corporation (the "Corporation") under the "Development Corporation Act of 1979", as amended, with the approval of the City Council of the City of Pflugerville, Texas (the "City") as evidenced by the Resolution attached as Attachment "A" and made a part of these Articles of Incorporation for all purposes, do hereby adopt the following Articles of Incorporation for the Corporation:

**ARTICLE I
NAME**

The name of the Corporation is "Pflugerville Community Development Corporation".

**ARTICLE II
AUTHORIZATION**

The Corporation is a nonprofit corporation and is a development corporation governed by Section 4B of the Development Corporation Act of 1979, Article 5190.6 Vernon's Texas Civil Statutes (as amended, the "Act").

ARTICLE III DURATION

The period of duration of the Corporation is perpetual.

ARTICLE IV PURPOSE AND LIMITATIONS

The purpose of the Corporation is to promote economic development within the City of Pflugerville and the State of Texas in order to eliminate unemployment and underemployment, and promote and encourage employment and the public welfare of, for, and on behalf of the City of Pflugerville by developing, purchasing, leasing, implementing, providing, and financing Projects under the Act and as "Projects" is defined in Section 4B of the Act. The Corporation may exercise all rights and powers with respect to a Project as are allowed by law and the Act.

ARTICLE V FINANCING

(a) In the exercise of the powers of the Corporation, the Corporation may issue bonds and/or enter into any loan, lease, trust, or other agreement authorized by the Act that is necessary or convenient for the fulfillment of the public purpose of the Corporation. All of such agreements, and the specific uses and methods of withdrawal and expenditure of the proceeds of the bonds, notes, or other debt instruments proposed to be issued by the Corporation, will be stated and described in the proceedings authorizing such agreements or the bonds, notes, or other debt instruments, and must be included as a part of the approval process of the City Council of

the City of Pflugerville (the "City Council") as required below for contracts and expenditures. In connection with the issuance of its obligations, the Corporation will select bond counsel and financial advisors acceptable to the City Council.

(b) In the exercise of the powers of the Corporation, the Corporation may not issue bonds or enter into any loan, lease, trust, or other agreement the effect of which would grant, convey, transfer, mortgage, encumber, pledge or assign a security interest or any interest in any property owned by the City of Pflugerville. Any agreement entered into by the Corporation must contain language substantially to the effect that any grant, conveyance, transfer, mortgage, encumbrance, pledge or assignment of property owned by the City of Pflugerville is prohibited.

ARTICLE VI MEMBERS

The Corporation has no members and is a nonstock corporation.

ARTICLE VII CONTRACTS AND EXPENDITURES

All contracts of the Corporation must be approved by the City Council before the contract is executed by the officers of the Corporation. After a contract is approved by the City Council, expenditures made in accordance with the terms of that contract do not require additional City Council approval. Expenditures of the Corporation unrelated to approved contracts require City Council approval before the expenditure is made by the Corporation.

ARTICLE VIII AMENDMENT

These Articles of Incorporation may be amended or restated at any time as provided in the Act. Any amendment or reinstatement may only be accomplished in either of the following manners:

(1) The members of the Board (defined below) may file with the City Council a written application requesting approval of amendments to the Articles of Incorporation, specifying the amendments proposed to be made. The City Council shall consider the application and, if it determines that it is advisable that the proposed amendments be made and approves the proposed amendments by resolution, then the Board may amend the Articles of Incorporation by adopting the approved amendments at a meeting of the Board and delivering articles of amendment or restatement to the Secretary of State; or

(2) The City Council may, at its sole discretion, and at any time, amend these Articles of Incorporation and alter or change the structure, organization, programs or activities of the Corporation, or terminate or dissolve the Corporation (subject to the provisions of the Act, and subject to any limitation provided by the Constitutions and laws of the State of Texas and the United States of America on the impairment of contracts entered into by the Corporation) by written resolution adopting the amendment or restatement to the Articles of Incorporation or by articles of dissolution at a meeting of the City Council and delivering articles of amendment or dissolution to the Secretary of State, as provided in the Act.

ARTICLE IX ADDRESS

The street address of the initial registered office of the Corporation is 100 East Main Street, Suite 300, Pflugerville, Texas 78691 and the name of its initial registered agent at that address is Mr. Steve Jones.

ARTICLE X BOARD OF DIRECTORS

(a) The affairs of the Corporation will be managed by a board of directors (the "Board") which will be composed of seven persons appointed by the City Council of the City for a two-year term of office each. Places 1, 3, 5, and 7 will be appointed in even-numbered years, and Places 2, 4, and 6 appointed in odd-numbered years. Terms begin on January 1 of each year.

(b) Each director must be a resident of the City. At least three of the directors must not be employees or officers of the City of Pflugerville, or members of the City Council. A majority of the then current membership of the Board constitutes a quorum. The Board will conduct all meetings within the boundaries of the City and in accordance with the requirements of the Act.

(c) The names and street addresses of the persons who are to serve as the initial directors and the dates of expiration of their initial terms as directors, are as follows:

PLACE	NAMES	ADDRESS(ES)	EXPIRATION DATES
1.	Ronald Beyer	102 Willow Street Pflugerville, TX 78660	12/31/03
2.	David Seeker	2507 Dunes Drive Pflugerville, TX 78660	12/31/02
3.	John Pfluger	805 Sykes Pflugerville, TX 78660	12/31/03
4.	John Franklin	809 Setting Sun Court Pflugerville, TX 78660	12/31/02
5.	Michael Callahan	806 Setting Sun Court Pflugerville, TX 78660	12/31/03

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|----|---------------|--|----------|
| 6. | Monte Neal | 604 Dundalk Bay Cove
Pflugerville, TX 78660 | 12/31/02 |
| 7. | T. Mike Marsh | 2520 Dunes Drive
Pflugerville, TX 78660 | 12/31/03 |

Each director must be a qualified voter of the City of Pflugerville. Each director, including each initial director, is eligible for reappointment. Directors are removable by the City Council at any time without cause.

(d) The directors will serve without compensation but, they will be reimbursed for their actual expenses incurred in the performance of their duties as directors. Any vacancy occurring on the Board will be filled by appointment by the City Council of a person who will hold such position until the expiration of the term. A director who is a member of the City Council will cease to be a director upon ceasing to be a member of the City Council. The directors will elect a president, vice-president, secretary, and treasurer of the Corporation, as more specifically provided in the Corporation's bylaws and the Act. The term of office for each officer will be for a period of one year, expiring on the 31st day of December of each year.

(e) Meetings of the board of directors are subject to the Texas Open Meetings Act, Chapter 551, Texas Government Code, and the Corporation is subject to the Texas Open Records Act, Chapter 552, Texas Government Code.

ARTICLE XI INCORPORATORS

The names and addresses of the original incorporators are:

NAMES	ADDRESSES
G. Scott Winton	805 Valley View Dr. A Pflugerville, TX 78660
John Franklin	809 Setting Sun Court Pflugerville, TX 78660
T. Steven Jones	1011 Yorkshire St. Pflugerville, TX 78660

Each incorporator is a qualified elector of the City of Pflugerville.

ARTICLE XII

CITY COUNCIL APPROVAL

The City Council has specifically authorized the Corporation by Resolution to act on its behalf to further the purposes of the Corporation as stated in the Resolution and in these Articles of Incorporation. By the same Resolution, the City Council has approved these Articles of Incorporation. A copy of the authorizing Resolution is attached to these Articles of Incorporation and made a part of them for all purposes.

ARTICLE XIII

RESTRICTIONS

(a) No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses shall be distributed to or inure to the benefit of its directors or officers of the Corporation or of any individual, firm, corporation or association.

(b) No part of the Corporation's activities shall be carrying on propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE XIV DISSOLUTION

If the Corporation is ever dissolved when it has, or is entitled to, any interest in any funds or property of any kind, such funds or property or rights thereto will not be transferred to private ownership, but will be transferred and delivered to the City of Pflugerville after satisfaction or provision for satisfaction of debts and claims.

ARTICLE XV NO DIRECTOR LIABILITY

To the full extent allowed by law, a director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Corporation existing at the time of the repeal or modification.

ARTICLE XVI DIRECTOR INDEMNIFICATION

Each person who acts as a director of the Corporation shall be indemnified by the Corporation, and such indemnity shall be mandatory, to the full extent allowed by law, including without limitation Article 5190.6, Section 15 of the Act against any costs, expenses and liabilities which may be imposed upon or reasonably incurred by him in connection with any civil or criminal action, suit or proceeding in which he may be named as a party defendant by reason of his being or having been such director or by reason of any action alleged to have been taken or omitted by him in either such capacity, and any person who, at the request of the Corporation, acts as a director of any of its subsidiary or affiliate corporations shall likewise be indemnified by the Corporation against any such costs, expenses and liabilities. The right of indemnification herein provided for shall inure to each of the directors of the Corporation, whether or not the respective director is acting as such at the time such costs, expenses or liabilities are imposed or incurred. Any repeal or modification of this Article shall be prospective only, and shall not limit the obligation of the Corporation to indemnify a director of the Corporation serving at or prior to the time of the repeal or modification.

INCORPORATORS:

G. Scott Winton

John Franklin

T. Steven Jones

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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CITY OF PFLUGERVILLE

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I, the undersigned, a Notary Public, do hereby certify that on this ____ day of December, 2001, personally appeared before me G. Scott Winton, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have set my hand and seal of office the day and year above written.

Notary Public Signature

(seal)

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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CITY OF PFLUGERVILLE

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I, the undersigned, a Notary Public, do hereby certify that on this ____ day of December, 2001, personally appeared before me John Franklin, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have set my hand and seal of office the day and year above written.

Notary Public Signature

(seal)

THE STATE OF TEXAS

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COUNTY OF TRAVIS

CITY OF PFLUGERVILLE

I, the undersigned, a Notary Public, do hereby certify that on this ____ day of December, 2001, personally appeared before me T. Steven Jones, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as Incorporator, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have set my hand and seal of office the day and year above written.

Notary Public Signature

(seal)

EXHIBIT B

PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION

BYLAWS

ARTICLE I. OFFICES

1.01 **Location.** The principal office of the Pflugerville Community Development Corporation (the "Corporation") is located at 100 East Main Street, Suite 300, Pflugerville, Texas 78691.

ARTICLE II. DIRECTORS

2.01 **Number, Appointment, and Term of Office.** The business and affairs of the Corporation shall be managed by a board of seven directors (the "Board"). Directors shall be appointed by the City Council of the City of Pflugerville (the "City"), and at least three directors must not be employees, officers, or members of the City Council. Each member of the Board shall serve at the pleasure of the City Council for a term of two years. Each director shall be a resident of the City and is entitled to one vote upon the business of the Corporation.

2.02 **Vacancies.** In case of a vacancy on the Board, the City Council shall appoint a successor to serve the remainder of the unexpired term.

2.03 **Regular Meeting; Place of Meeting.** Regular meetings shall be held from time to time as determined by resolution of the Board and shall be held at the City Council chambers, 100 East Main Street, Suite 500, Pflugerville, Texas, unless otherwise determined by resolution of the Board. A meeting of the Board for the election of officers and the transaction of other business shall be held on the first Monday in December of each year, unless changed by resolution of the Board. All meetings shall be called and held in accordance with the Texas Open Meetings Act, Chapter 551, Government Code, as amended.

2.04 **Special Meetings.** Special meetings of the Board shall be held whenever called by the president, or upon written request by two directors.

2.05 **Notice of Meetings.** The secretary shall cause notice of the time and place of holding each meeting of the Board to be given to each director. The notice may be in writing, in person, or in person by telephone. Notice of each meeting shall also be given to the public in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Government Code, as amended.

2.06 **Quorum.** A majority of the membership of the Board, including vacancies, shall constitute a quorum for the transaction of business.

2.07 **Order of Business.** The order of business shall be determined by the Board.

2.08 Presiding Officer. At all meetings of the Board, the president, or in the president's absence, the vice-president, or in the absence of both of these officers, a member of the Board selected by the directors present, shall preside. The secretary of the Corporation shall sit as secretary at all meetings of the Board, and in case of the secretary's absence, the presiding officer shall designate any person to act as secretary.

2.09 Management. The property and business of the Corporation shall be managed by the Board which may exercise all powers of the Corporation.

2.10 Additional Powers. In addition to the powers conferred by these By-Laws (but subject to the restrictions in the Articles of Incorporation), the Board may exercise all powers of the Corporation and do all lawful acts and things that are not prohibited by statute, the Articles of Incorporation, or these By-Laws including, but not limited to the following powers:

(1) To purchase, or otherwise acquire for the Corporation, any property, rights, or privileges which the Corporation is authorized to acquire, at such price or consideration and generally on such terms and conditions as the Board determines to be appropriate, and at its discretion to pay therefor either wholly or partly in money, notes, bonds, debentures, or other securities or contracts of the Corporation as may be lawful.

(2) To create, make and issue notes, mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgage or deed of trust on any real property of the Corporation or otherwise, and to do every other act or thing necessary to effect the same.

(3) To sell or lease the real or personal property of the Corporation on such terms as the Board may see fit and to execute all deeds, leases and other conveyances or contracts that may be necessary for carrying out the purposes of this Corporation.

ARTICLE III. OFFICERS

3.01 Compensation of Directors and Officers. Directors and officers, shall not receive any salary for their services but by resolution of the Board, expenses incurred in the Corporation's business may be reimbursed.

3.02 Officers. The officers of the Corporation shall be a president, vice-president, secretary, and treasurer. The Board, at each annual meeting, shall elect these officers. The Board may appoint such other officers as it deems necessary, who shall have such authority, and shall perform such duties as from time to time may be prescribed by the Board. The Pflugerville City Manager shall serve as the executive director of the Corporation and shall provide such staff as may be necessary for administrative support services for the Corporation. The executive director shall be a non-voting ex officio member of the Board.

3.03 Powers and Duties of the President. The president shall preside at all meetings of the Board. He or she shall have power to sign and execute all contracts and instruments of conveyance in the name of the Corporation, to sign checks, drafts, notes and orders for the

payment of money, and to appoint and discharge agents and employees, subject to the approval of the Board. He or she shall have general and active management of the business of the Corporation, and shall perform all the duties usually incident to the office of president.

3.04 Vice-President. The vice president shall have such powers and perform such duties as may be delegated to him or her by the Board. In the absence or disability of the president, the vice-president may perform the duties and exercise the powers of the president.

3.05 Power and Duties of the Secretary. The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose; shall provide all notices, may sign with the president, or a vice-president, in the name of the Corporation, all contracts and instruments of conveyance authorized by the Board, shall have charge of the books and papers of the Board, and shall in general perform all the duties incident to the office of secretary, subject to the control of the Board. Records of the Corporation shall be maintained and filed in the office of the City secretary of the City.

3.06 Treasurer. The treasurer shall have custody of all funds and securities of the Corporation and shall endorse on behalf of the Corporation for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank or depository as the Board may designate. Whenever required by the Board the treasurer shall render a statement of the Corporation's cash account; enter regularly in the books of the Corporation, a full and accurate account of the Corporation; and perform all acts incident to the position of treasurer, subject to the control of the Board. All written statements and accounts shall be maintained and filed in the office of the City administrator for the City. The treasurer shall give a bond for the faithful discharge of his or her duties in such sum, if any, as the Board may require.

ARTICLE IV. Corporation SEAL

No corporate seal shall be required.

ARTICLE V. FISCAL YEAR

The fiscal year of the Corporation is January 1 through December 31.

ARTICLE VI. MISCELLANEOUS

6.01 Notices and Waivers. Whenever under the provisions of these Bylaws notice is required to be given to any director or officer, unless otherwise provided, the notice may be given personally, or it may be given in writing by depositing it in the post office or letter box in a post paid envelope or postal card addressed to the director or officer, at the address as appears on the books of the Corporation, and the notice shall be deemed to be given at the time when it is mailed. Whenever any notice to directors or officers is required to be given by law, or by these Bylaws, a waiver in writing signed by the person or persons entitled to the notice, whether before or after the time stated shall be deemed the equivalent of notice. This paragraph does not eliminate the requirement to comply with the Open Meetings Act.

6.02 Negotiable Instruments. All checks, drafts, notes or other obligations of the Corporation shall be signed by such of the officers of the Corporation or by such person or persons as may be authorized by the Board. All checks shall require the signature of two persons.

6.03 Resignations. Any director or officer may at any time resign. Resignations shall be made in writing and shall take effect at the time specified in the resignation, or, if no time be specified, at the time of its receipt by the president or the secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

6.04 Approval of the City Council. To the extent these Bylaws refer to any approval or other action to be taken by the City, that approval or action shall be evidenced by a certified copy of a resolution, ordinance, or motion duly adopted by the City Council.

6.05 Organizational Control. The City Council at its sole discretion, and at any time, may alter or change the structure, organization or activities of the Corporation (including the termination of the Corporation), subject to any limitation on the impairment of contracts entered into by the Corporation. The foregoing notwithstanding, the City, at all times during which any indebtedness of the Corporation, the interest on which is exempt from federal income taxation, remains outstanding, will maintain a beneficial interest in the Corporation.

6.06 Quarterly Reports. The Board shall prepare a quarterly activity report, detailing the projects and work accomplished during the previous quarter. This report shall be submitted to the City Council by the 15th day of the month following the end of each quarter.

ARTICLE VII. PROVISIONS REGARDING BYLAWS

(a) These Bylaws shall become effective only upon the occurrence of the following events:

- (1) the approval of these Bylaws by the City Council; and
- (2) the adoption of these Bylaws by the Board.

(b) These Bylaws may be amended at any time and from time to time either by (i) majority vote of the directors then in office with approval of the City Council or (ii) by the City Council itself, at its sole discretion.

(c) These Bylaws shall be liberally construed to effectuate their purposes. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstances, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE VIII. DISSOLUTION OF CORPORATION

It shall not be the purpose of this Corporation to engage in carrying on propaganda or otherwise attempting to influence legislation. Upon the dissolution of the Corporation after payment of all obligations of the Corporation, all remaining assets of the Corporation shall be transferred to the City of Pflugerville, Texas.

I hereby certify that the foregoing Bylaws are the true and correct Bylaws of the Corporation as adopted by the Board on the ____ day of _____, 2001.

Secretary



AGENDA ITEM COVER PAGE

Agenda Item: 3A

Meeting date:

December 18, 2001

Subject:

Approving the articles of incorporation and bylaws of the Pflugerville Community Development Corporation and authorizing the Pflugerville Community Development Corporation to act on the City's behalf to further certain public purposes of the city.

Background: This item was placed on the agenda to take any necessary action to establish the 4B Corporation and its Board.

Fiscal Impact:

NA

Staff recommendation:

Discuss at the meeting and take action as recommended by the City Attorney.

Action required by:

Mr. Carlton has indicated that the City Council should select the 4B Corporation Board members at this meeting so documents can be filed prior to the end of 2001. The names of the Board members are to be named in the articles of incorporation.

Prepared by: Karen Thompson, City Secretary