

**SUBJECT:** Allowing Tarrant Regional Water District to create a nonprofit corporation

**COMMITTEE:** Natural Resources — committee substitute recommended

**VOTE:** 7 ayes — Puente, Bonnen, Geren, Hardcastle, Hilderbran, Hope, Laney

0 nays

2 absent — Callegari, Campbell

**WITNESSES:** For — James Oliver, Tarrant Regional Water District

Against — None

**BACKGROUND:** Ch. 268, Acts of the 55th Legislature, Regular Session, 1957 governs the Tarrant Regional Water District, which is charged with water supply and flood control along the Trinity River.

**DIGEST:** CSHB 2639 would authorize the Tarrant Regional Water District to acquire, construct, or maintain facilities for economic development purposes or participate in an economic development program. The district would be authorized to make economic development grants or loans and acquire an interest in property for a reclamation, economic development, or water control project. The TRWD board of directors would determine whether a project served the purposes of the bill, and the board would oversee the project's budget.

An economic development program would have to be in the district's boundaries or water service area. A program could involve disbursement of money, services, or property to a program participant. The district could spend resources other than ad valorem tax or general appropriation revenue for a program and could apply for assistance from any source to implement the program. TRWD could enter into any agreement concerning the program, including an interlocal contract.

To administer the project, the board could create a nonprofit corporation operating under state law governing nonprofit and development corporations. The corporation could exercise any power of the district including the issuance of bonds, but could exercise eminent domain only

on approval of the TRWD board.

Corporations created under the bill could share resources and provide goods and services to each other without the requirement of competitive bidding.

The TRWD board would appoint directors to corporations created under the bill, and a director could serve as a member of the TRWD board. A corporation's budget and bond issuance would have to be approved by the TRWD board, and the corporation's activities would be subject to review by the TRWD board. Property of TRWD could be transferred to a corporation. A corporation could provide credit to support any obligation or contract if the board determined the agreement benefited a purpose of the district and led to economic development in the state.

The bill also would allow TRWD to use the competitive proposal method when the district board determined that doing so was in the district's best interests.

The bill would take effect September 1, 2005.

**SUPPORTERS  
SAY:**

CSSH 2639 would enable TRWD to create a separate nonprofit development corporation to aid in the Trinity River Vision project, a redevelopment partnership among the district, the city of Fort Worth, Tarrant County, and the U.S. Army Corps of Engineers. This project would improve flood control, recreational opportunities, water quality, and the environment along the Trinity River in Tarrant County. The project would allow for local economic development in an underutilized industrial area near downtown and could improve employment and housing opportunities on a scale similar to San Antonio's River Walk.

CSSH 2639 would allow for more seamless collaboration and coordination among partners in the program by specifying that TRWD could participate in economic development and beautification activities. The activities of any corporation created under the bill would be overseen by the TRWD board of directors, an elected and publicly accountable governing body.

CSSH 2639 would allow TRWD to use a competitive proposal process in soliciting plans for work needed as part of the Trinity River Vision project. The project would entail complex erosion control and reclamation

work, and private contractors with specific expertise would be better able to plan such projects than the district. Allowing the district more flexibility to choose among proposals would allow for more efficient and cost effective management of the redevelopment project.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

The committee substitute is a Legislative Council draft that made nonsubstantive changes to the bill as filed.