

	Item	Alternate Language	Draft Contract
1.	<b>Executive Directors of the Board of Directors</b>	Subject to the requirements of Section 2 (C), below, the Corporation will elect members of the Board of Directors to serve as <u>Executive Directors</u> of the Board of Directors. The Executive Directors will consist of no less than four (4) members and no more than ten (10) members.	<ul style="list-style-type: none"> <li>No reference to <b>Executive Directors or Executive Board Committee</b></li> </ul>
2.	<b>Mission and Goals</b> <ul style="list-style-type: none"> <li>GSMP has added “specific focus and interest” objectives</li> </ul>		<p>...approved by the City Council in the Economic Development Strategy and Implementation Plan. Areas of specific focus and interest for the purposes of this agreement include:</p> <ol style="list-style-type: none"> <li>Supporting Quality Growth in Export-Oriented Target Sectors through small business development, entrepreneurship, business attraction and business retention efforts</li> <li>Optimizing the local talent base, including workforce development initiatives.</li> <li>Promoting San Marcos as a location for business</li> <li>Accommodating and Managing Quality Growth</li> <li>Creating Destination Appeal.</li> </ol>
3.	<b>Small Business Development</b> <ul style="list-style-type: none"> <li>GSMP provided Objectives and Deliverables</li> </ul>	<ul style="list-style-type: none"> <li>Same language in both contracts</li> </ul>	<ul style="list-style-type: none"> <li>Same language in both contracts</li> </ul>
4.	<b>Business Contacts and Leads</b> <ul style="list-style-type: none"> <li>GSMP provided Objectives and Deliverables</li> <li>Different wording and sequence of contract section in the both</li> </ul>	A minimum of 85% of all projects pursued <u>will be on behalf of the City. ...In all instances, the Corporation’s services provided pursuant to this Agreement are for the exclusive use and benefit of the City.</u>	<p><i>Retitled</i> <b>Business Recruitment</b> (Contacts and Leads)</p> <p>A minimum of 85% of all projects pursued for which the <u>Corporation is the primary responder</u> will be on behalf of the City</p>

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	<i>contracts</i>		
5.	<b>Workforce Development</b> <ul style="list-style-type: none"> <li><i>GSMP provided Objectives and Deliverables</i></li> </ul>	<i>Added...</i> <b>Deliverables.</b> 5. Provide <u>annual report</u> on Workforce Development strategies and activities	<ul style="list-style-type: none"> <li><i>GSMP was notified and had no problem with this deliverable.</i></li> </ul>
6.	<b>Business Retention and Expansion (BRE)</b> <ul style="list-style-type: none"> <li><i>GSMP provided Objectives and Deliverables</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Same language in both contracts</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Same language in both contracts</i></li> </ul>
7.	<b>President/CEO</b> <ul style="list-style-type: none"> <li><i>Selection of...</i></li> <li><i>Due diligence</i></li> </ul>	City Council shall have the <u>right to approve</u> the selection of the Corporation's President/CEO.  ...and a due diligence report including criteria set forth in Exhibit "B" for each prospect and proposed incentive. <ul style="list-style-type: none"> <li><i>Questions and information included in Exhibit B</i></li> </ul>	City Council representatives will be on the <u>search committee</u> for the corporation's President/CEO and provide meaningful input to the process.  ...and vetting in accordance with the Council approved incentive application and policy regarding each proposed economic incentive. <ul style="list-style-type: none"> <li><i>GSMP states Due Diligence questions and information included in Subcommittee Exhibit B are answered in City Incentive policy documents, applications and Project Data Sheet attached to agenda item</i></li> </ul>
8.	<b>City Economic Development Director</b>	<i>Contract language:</i> This section intentionally left blank. Should the council decide to create this position, contract amendments will be added. <i>Included in contract but left blank for potential future use</i>	<ul style="list-style-type: none"> <li><i>Section Deleted</i></li> </ul>
9.	<b>Services to EDSM Board</b> <ul style="list-style-type: none"> <li><i>This section is in the</i></li> </ul>	<ul style="list-style-type: none"> <li><i>This section was deleted from contract.</i></li> </ul>	The Corporation will, through the President/ CEO or his or her designee, perform the following services in connection

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	<i>current economic development contract.</i> <b>Services to EDSM Board</b> <i>continued</i>		<p>with meetings and activities of the EDSM Board:</p> <ol style="list-style-type: none"> <li>1. Provide facilities and staffing for meetings of the board. The Corporation will ensure that the facilities for board meetings allow for attendance by members of the public.</li> <li>2. Keep minutes of the public portion of meetings of the board, and provide a copy of each set of minutes to the City Council and City Manager.</li> <li>3. Prepare agendas for meetings of the board, and provide them to the City Clerk in a timely manner so that notice of meetings of the board can be given in accordance with the Texas Open Meetings Act.</li> <li>4. Ensure that an appropriate record is made of each closed meeting of the board, and deliver the record to the City Clerk promptly after each such meeting.</li> <li>5. Accept conflict of interest disclosure forms from members of the board when appropriate, and deliver the forms to the City Clerk promptly after receiving them.</li> </ol>
10.	<b>Funding Requests</b> <ul style="list-style-type: none"> <li>• <i>Subcommittee Contract adds approval to GSMP Budget</i></li> </ul>	Any changes to the approved budget must be submitted to City Council for approval.	<ul style="list-style-type: none"> <li>• <i>Section Deleted</i></li> </ul>
11.	<b>Financial Disclosure</b> <ul style="list-style-type: none"> <li>• <i>Difference of members subject to financial disclosure</i></li> </ul>	Members of the <u>Executive Directors</u> will be subject to the provisions of Section 2.462 of the San Marcos City Code, requiring annual financial disclosures by all city board members.	Members of the <u>Board of Directors</u> will be subject to the provisions of Section 2.462 (d) of the San Marcos City Code, requiring annual financial disclosures by all city board members.
12.	<b>Conflict of Interest</b> <ul style="list-style-type: none"> <li>• <i>Formal disclosure rather than recusal</i></li> </ul>	...that information <u>shall be disclosed</u> to the City Manager as soon as the member is aware of the conflict but no later than the presentation of the	...that member must <u>recuse themselves</u> from any Board action that would confer a benefit upon or have an economic effect on themselves.

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	<b>Conflict of Interest</b> <i>continued</i>	proposal to the City Council for final approval. In this instance, the person involved shall be prohibited from participating in any deliberations regarding incentives involving this economic development prospect. Failure to disclose, as determined by the City's Ethics Commission or City Council, will result in that member being barred from future service on the Board of Directors. This section shall not apply to any economic interest or benefit arising after the City has executed an agreement to provide an incentive to a prospect.	
13.	<b>Open Meetings</b> <ul style="list-style-type: none"> <li><i>Inclusion of Executive Director meetings</i></li> <li><i>Formal Texas Open Meeting Act Requirements</i></li> </ul>	...to post notice of meetings of its Board of Directors and the <u>Executive Directors and conduct such meetings in accordance with the Texas Open Meetings Act, Chapter 551, Texas Government Code.</u>	...to post notice of meetings of its Board of Directors and <u>conduct such meetings in the spirit of openness and transparency.</u>
14.	<b>Board Responsibilities</b> <ul style="list-style-type: none"> <li><i>Political Neutrality</i></li> <li><i>Board actions on advocacy</i></li> <li><i>Restriction of third-party analysis</i></li> </ul>	Members shall <u>refrain from advocacy</u> for or against actions being considered by the City Council except: a. the member's own project; b. an incentive recommended for City approval by the Corporation. The President and members shall not oppose any third party analysis of financial incentives or development agreements requested by the City Council.	<i>Added:</i> ...acting as a body, by virtue of their leadership position,  The President and members <u>shall not restrict any third party analysis of financial incentives</u> or development agreements requested by the city council.
15.	<b>Payments</b> <ul style="list-style-type: none"> <li><i>Contract term payments</i></li> </ul>	September of <u>2015</u>	September of <u>2016</u>

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16.	<b>Board Appointments</b> <ul style="list-style-type: none"> <li><i>Both contracts agree to six City Board appointments</i></li> <li><i>Subcommittee requires 4 to serve as Executive Directors</i></li> <li><i>GSMP states Mayor will be an appointee and a City representative will serve on Nominating Committee</i></li> </ul>	<p>Four (4) of these appointees shall also serve on the Corporation's Executive Committee. These appointees shall include the City Manager, or his/her designee, the Economic Development San Marcos Chair, San Marcos Regional Airport representative and at least one elected official. <u>City Council will ratify the Chair of the Board of the Corporation. Elected Officials may not serve as the Board Chair or Vice Chair.</u></p>	<p>These appointees shall include the City Manager, the <u>Mayor</u>, the Economic Development San Marcos Chair, San Marcos Regional Airport representative and at least two elected officials. At least one <u>city representative shall serve on the Nominating Committee</u>. Per the Corporation bylaws, the Nominating Committee meets annually and includes the Chair, Vice Chair, one Board member, two Lead members not on the Board and one General member not on the Board</p> <ul style="list-style-type: none"> <li><i>GSMP Board deleted ...City Council will ratify the Chair of the Board of the Corporation. Elected Officials may not serve as the Board Chair or Vice Chair.</i></li> </ul>
17.	<b>Term</b>	<p>...shall be from April 1, 2015 through <u>September 30, 2015</u></p>	<p>...shall be from April 1, 2015 through <u>September 30, 2016</u>. This Agreement serves as the fourth renewal of the initial Agreement between the parties, the term of which was from October 1, 2010 through September 30, 2011 with the option to renew for up to four one year periods upon mutual agreement of the parties. The term of this fourth renewal of the Agreement shall, accordingly, be from the effective date of April 1, 2015 through September 30, 2016.</p>
18.	<b>Bylaw Approval</b>	<p>The Corporation shall <u>submit its bylaws</u> and any amendments thereof to the City Council for review and approval before they become effective.</p>	<ul style="list-style-type: none"> <li><i>Ms. Cruz was notified <u>after</u> GSMP submitted their draft on April 14, 2015.</i></li> <li><i>GSMP Board deleted.</i></li> </ul>
19.	<b>Exhibit B</b> <ul style="list-style-type: none"> <li><i>GSMP defines Primary and</i></li> </ul>	<ul style="list-style-type: none"> <li><i>Questions are attached as Exhibit "B" to Due</i></li> </ul>	<b>Definitions</b> <b><u>Primary Jobs</u></b> – Primary jobs are defined in economic

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	<p><i>Secondary Jobs in Exhibit “B”</i></p> <ul style="list-style-type: none"><li><i>GSMP states Due Diligence questions and information included in Subcommittee Exhibit B are answered in City Incentive policy documents, applications and Project Data Sheet attached to agenda item</i></li><li><i>City Staff will participate in <u>Due Diligence</u> in either scenario</i></li></ul>	<p><i>Diligence Review</i></p>	<p>development as those that bring in new revenue to the community. Many of those jobs produce a product (like manufacturing), however other service sector jobs also circulate dollars from outside the city and create additional jobs. These jobs tend to be high-wage paying and require higher levels of education or skilled trades.</p> <p><b><u>Secondary Jobs</u></b> – Secondary jobs are defined in economic development as those that circulate money already in the city, such as retail and food service. They have little spinoff or additional job creation associated with them.</p> <p><b>Attachments</b> Economic Development Strategy – 2010-2015 Economic Development Strategy – 2016 – 2020 Effective Oct 1, 2015 City of San Marcos Incentive Policy City of San Marcos Incentive Application</p>

Revised 4/28/2015