

BAHEP extends its sincere appreciation for the continued support of THE DAILY NEWS through this monthly supplement.

BAHEP's alliances, initiatives pay big dividends for education, Houston Spaceport, and small businesses

In late July, the Bay Area Houston Economic Partnership hosted a forum at South Shore Harbour Resort & Conference Center featuring state legislators who gave an overview of the 86th Texas Legislature which adjourned on May 27, 2019.

Sen. Larry Taylor, R-Friendswood; Sen. Carol Alvarado, D-Houston; Rep. Dennis Paul, R-Houston; and Rep. Mary Ann Perez, D-Houston, spoke at length about bills that were passed regarding education and school safety, taxes, flood mitigation, and development of the Houston Spaceport.

Since the close of the session, much has been written about school finance reform found in House Bill 3, as well as Senate bills 6, 7, and 8 related to Hurricane Harvey, guidelines for hurricane preparation, funding for flood-mitigation projects, and guidelines for the first flood plan covering the entire state.

It was, without doubt, a very successful session which accomplished much. While it is important to recognize the Herculean efforts of the state's legislators who toiled for 140 days under the pressure of deadlines and constituent advocacy, it is also necessary to acknowledge the

BAHEP's Political Protocol Committee develops legislative agenda

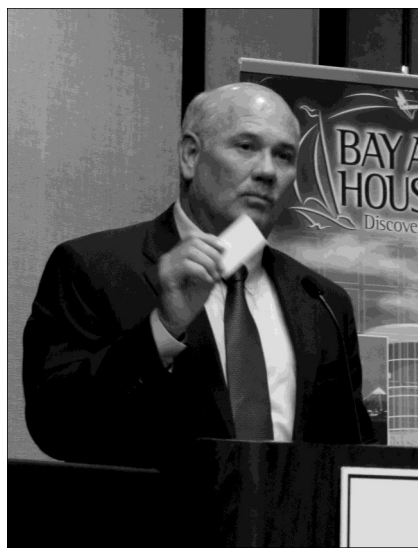
Prior to each legislative session, the Political Protocol Committee of the Bay Area Houston Economic Partnership, composed of community leaders who are BAHEP members, spends months developing a legislative agenda.

BAHEP's Education & Workforce Development Committee is an integral part of this process. Its members include the superintendents of Clear Creek ISD, Dickinson ISD, Friendswood ISD, La Porte ISD, and Pasadena ISD, as well as the leadership of the College of the Mainland, San Jacinto College District, and the University of Houston—Clear Lake. They work together to craft a concise agenda which outlines the priorities of these institutions.

BAHEP asserts that is vitally important to cooperatively address legislative issues that are necessary for the continued growth of the Bay Area Houston region.

Committee sets forth legislative agenda

The agenda set forth for the 86th Texas legislature included action items related to: Education & Workforce Development, State Franchise Tax, Supporting the



BAHEP President Bob Mitchell

do what was necessary to locate the nation's 10th spaceport in Houston. What was necessary meant long hours spent in numerous planning meetings and even longer hours devoted to assisting HAS in its formal license application with the Office of Commercial Space Transportation, a branch of the Federal Aviation Administration. On June 30, 2015, the FAA granted a spaceport launch site license to Ellington Airport.

For the past four years, BAHEP has actively pursued projects that would ideally be suited for the expansion of the Houston Spaceport. For development to continue as planned, it was necessary

signed to provide free technical assistance and speed transfer of space technology to the private sector. By giving free technology assistance to small businesses, SATOP helps them solve their challenges and increase their chances of succeeding.

TAS offers a one-of-a-kind experience for Texas high school students to explore the possibilities of a science, technology, engineering or mathematics (STEM) related major or career. Students complete an extensive online course which enables many of them to participate in a summer learning experience at NASA Johnson Space Center.

Rep. Greg Bonnen, M.D., was instrumental this legislative session in getting these two important programs placed into the Texas A&M University system as part of the Texas Engineering Experiment Station (TEES). For 100 years, TEES has performed groundbreaking engineering research and developed technology to address state and national problems. This provides a stable source of funding for SATOP / TAS into the future.

Senate Bill 2212 allows for public-private partnerships

SB 2212, authored by Sen. Larry Taylor with Rep. Dennis Paul as one of its sponsors, allows three drainage districts (Velasco Drainage District, Drainage District 7, and Orange County Drainage District) to enter into a project partnership agreement with the Army Corps of Engineers for projects identified in the Sabine to Galveston study that was completed in 2017. This effectively allows them to become the local partners.

This bill also allows the districts to enter a public-private partnership for purposes of raising funds to meet the local match requirement or cover operations and maintenance costs. It does not fund or provide money for the projects identified in the Sabine

federal share of Harvey expenses, including recovery, hazard mitigation, debris removal and bridge and road projects at a cost to the state of \$638 million, drawing down roughly \$6.3 billion in federal relief.

- Provides over \$800 million to help Harvey-impacted school districts.
- Initiates the development of a statewide flood plan and the construction of flood control infrastructure and critical dam repairs with a \$990 million investment.
- Funds large-scale coastal protections along the Gulf Coast with \$200 million in state funds (SABINE TO GALVESTON), leveraging

\$18,000 in 2010. This hurt the industry in Texas, because people went to Florida to purchase boats. Once purchased in Florida, the boats remain docked there. Florida, therefore, gets the added revenue from marinas, gas and diesel sales, and other services the vessels need, instead of Texas. That doesn't even consider the dollars spent on tourism and recreation while the boats are docked in the Sunshine State.

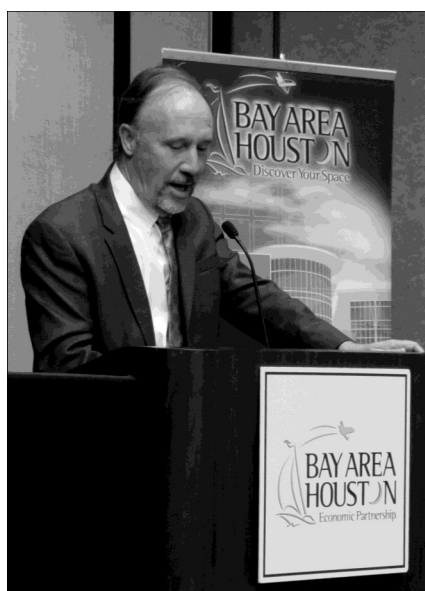
The boating industry supports nearly 1,800 businesses in Texas that account for almost 26,000 jobs, both directly and indirectly related to recreational watercraft, according to the National Marine Manufacturers Association. Sen. Larry Taylor stated that the tax break could create up to 600 jobs in Texas, citing fuel purchases, equipment sales and repairs that now go to other states where Texans are buying and then docking their vessels.

BAHEP began its Maritime Jobs Preservation and Growth work in 2010 in preparation for the 82nd Texas Legislature the following year. The organization has partnered with the Texas Marine Industry Coalition and has continued to support Maritime Jobs Preservation and Growth work as part of its advocacy efforts for the maritime industry.

Much accomplished — much to be done

The 86th Texas Legislature was very productive in many ways, and our state's legislators are to be congratulated for their noteworthy efforts. The legislature adjourned on May 27, 2019. That date marked the end of the session. It also marked the start of preparations for the 87th Legislature convening on Jan. 12, 2021, not only for Texas senators and representatives but also for the Bay Area Houston Economic Partnership.

Bob Mitchell, BAHEP president, remarked,



**Bob Davee
Legislative Forum Moderator**

more than \$4 billion in federal resources.

For 10 years, BAHEP has partnered closely with Texas A&M University at Galveston to mitigate the destruction caused by storm surge and flooding caused by hurricanes. Much has been accomplished during that time, but the first shovel full of dirt has yet to be moved on behalf of the coastal barrier system. BAHEP, along with its allies, have been strong and relentless advocates regionally, in Austin and Washington, D.C., on behalf of this life-saving system.

Maritime jobs score big victory

House Bill 4032, which takes effect in September, states that the amount of sales tax charged for luxury yachts as large as 115 feet will be capped at \$18,750. Currently, boats in Texas are subject to a 6.25 percent state sales tax plus local

sales taxes which add up to another 2 percent. An 8.25 percent, sales tax on a \$3 million purchase amounts to \$247,500 in sales taxes. Under the new law, the tax bill would drop to \$18,750.

Luxury boat owners will benefit, no doubt, but the intent of the legislation is to revive the state's marine industry. Florida capped its sales taxes on yachts at "Sometimes when a bill is passed, such as a number of the bills that were passed this last session, not all of the ramifications are apparent immediately. We'll be monitoring the results of these bills in the upcoming months and will definitely meet with our regional representatives and mayors to discuss potential amendments if necessary."



Senator Carol Alvarado and Senator Larry Taylor

critical role that Texas citizens and organizations played in this session as they have in preceding sessions.

Region's Healthcare System, Coastal Spine / Taxing Authority, Space Alliance Technology Outreach Program and Texas Aerospace Scholars Program, Spaceport Development Corporation, Texas Ports / Texas Enterprise Fund, Transportation Funding, Maritime Jobs Preservation and Growth, and Ellington Field Joint Reserve Base.

BAHEP, along with its partners the Clear Lake Area Chamber of Commerce and the League City Regional Chamber of Commerce, led a delegation of more than 90 travelers to Austin, Texas, on March 5, 2019, and held 140 scheduled meetings with state legislators, the speaker of the House, and the lieutenant governor to advocate for these priorities.

Following the trip, the travelers felt that the meetings were successful, especially those related to public education/higher education. The bills that were eventually passed by the legislature proved this to be a very accurate assessment.

Development hurdle passed for Houston Spaceport

Prior to 2015, BAHEP worked closely with the Houston Airport System to

for the Texas legislature to modify and authorize the process whereby a Spaceport Development Corporation could be created. This corporation would then be eligible to receive funding from outside sources.

BAHEP leadership has close working relationships with regional legislators and has made several trips to Austin during the last two sessions to underscore the necessity of establishing a Spaceport Development Corporation, as well as the best means forward to do so.

House Bill 303, authored by Rep. Dennis Paul, was passed and gives authority to a county, or a county and a municipality, and now a municipality with a population of two million or more to create a Spaceport Development Corporation. This was a crucial step for future development of the Houston Spaceport.

SATOP / TAS given new home at A&M

The Space Alliance Technology Outreach Program and Texas Aerospace Scholars Program have been important programs in the State of Texas for 20 years. SATOP, a program administered by BAHEP, is de-



Representative Dennis Paul and Representative Mary Ann Perez

to Galveston study. SB 500 allocated \$200 million for part of the local match.

SB 500 included \$3.5 billion in Economic Stabilization Fund (ESF), also known as the Rainy Day Fund, to help the Gulf Coast recover and rebuild from Hurricane Harvey and prepare for future disasters.

BUSINESS to BUSINESS is a monthly Bay Area Houston Economic Partnership publication in partnership with THE DAILY NEWS. BAHEP is a member-driven organization that provides the leadership to stimulate regional economic development and employment in southeastern Texas. Its members include more than 265 business partners encompassing 14 cities, Galveston and Harris counties, the Houston Airport System, and Port Houston. For membership information, contact Membership Director Harriet Pilgrim at 832.536.3250.

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