

Industry Impacts on the Community: Jobs, Community Relations Programs, and Taxes,

Slides posted at www.pasadenacac.org

Pasadena Citizens' Advisory Council (PCAC) members often focus their meetings on environmental, safety, transportation, and emergency issues relating to the major industrial facilities in Pasadena. In January 2020, the group chose to look at positive aspects of the community's plants, namely jobs, community relations programs, and taxes. Consideration of taxes led the group to ask about the industrial districts in which most PCAC plants are located.

The jobs discussion began with Chad Burke, President and CEO of the Economic Alliance Houston Port Region giving an overview of the organization's founding, mission, and membership. His slides, posted on the PCAC website, show the impact of those members on the local, state and national economy.

Dennis Winkler, Interim Executive Director of East Harris County Manufacturers Association (EHCMA), described the employment picture for the petrochemical industry in the Pasadena area. In the North Pasadena Industrial District and the Bayport Industrial District, there are approximately 10,000 people directly employed in the petrochemical industry. PCAC plants, located north of SH 225, employ approximately 2800 of the 10,000.

Facilitator Diane Sheridan briefly discussed a September 2019 report on *PCAC Plants Community Relations Programs*. In it, each plant was asked to list three of the activities to benefit the community carried out in 2018 or 2019 year to date. The activities included volunteering in the community, donations, and leadership in community groups.

Rick Guerrero, Manager of the Pasadena Economic Development Corporation, shared information on the background of industrial districts, how they operate, and their locations in the city. Most cities with industrial areas have industrial districts. Industrial district agreements often began in the 1970s because cities did not want to have to provide full city services to the plants, and plants did not want to pay taxes for services they did not need or receive from the city. (Pasadena Independent School District (PISD) is not a part of the industrial district agreement. Plants located within PISD's boundaries pay school taxes.)

City residents receive services for their taxes, including police, fire, emergency services, water/sewage, trash pickup, road construction/maintenance, etc. Plants in industrial districts receive no city services (unless covered under a separate contract). They pay a fee to the city in lieu of city taxes (based on an agreed upon formula including the appraised/assessed value of the property); and the city cannot annex property included in an industrial district agreement. Depending on property boundaries, industrial districts can either consist of one plant or multiple plants. (This is particularly true if the initial property has been subdivided/sold to other companies.)

Guerrero showed maps with the three industrial districts in Pasadena and noted that approximately 25% of the acreage in city is covered by an industrial district agreement. He said that the majority of the PCAC plants appeared to be in the North Pasadena Industrial District. Some PCAC plants are located outside of the North Pasadena Industrial District, but plant managers said they may be in a different industrial district.

The Pasadena industrial district agreement is typically renegotiated every 7-8 years. Some residents feel that plants in industrial districts don't pay their fair share of taxes and that communities closest to plants bear the impacts of living near industry but do not benefit from the district. Other residents view industrial districts within the context of overall economic development, where Industrial districts may attract additional businesses to the community, which creates jobs and benefits the community as a whole.