

Ways to Pay for Land and its Development

1. Negotiated Purchase with Cash (General Fund)
2. Certificates of Obligation pursuant to the Certificate of Obligation in Act (Local Gov't Code §271.041 et-seq.) Certificates are financial securities that do not require a vote of the public.
3. Bonds
4. Public/Private Partnership (P3). Government Code chapter 2267 allows governmental entities greater flexibility in contracting with private entities to provide public services (including construction and operating of county buildings) through qualifying projects. This could include facilitating bond financing or other similar financing mechanisms, private capital, and other funding sources that support the development of county buildings.
5. Lease/Purchase (including Ground lease for Cash) (Must include funding out clause. A funding out clause is a requirement of the Texas Constitution. It allows a County to be released from its obligations due to budget requirements.)
6. Installment Purchase (Contract for Deed) (Must include funding out clause)
7. Local Government Corporation, pursuant to Chapter 431 of the Texas Transportation Code. A local government corporation may be created to aid and act on behalf of one or more local governments to accomplish any governmental purpose of those local governments. This type of entity can provide flexibility in contracting, developing and financing a county's project.
8. Exchange. Local Government Code § 263.006 allows for the County to trade interests in real estate (for instance, the County's land it owns at 3rd and Guadalupe) for an alternative tract of land. Partial cash amount may be included in the transaction.
9. Eminent Domain (Condemnation for Cash)
10. Gift or Donation. Two statutes allow a County to accept a donation of land.

Local Government Code Sec. 81.032. ACCEPTANCE OF DONATIONS AND BEQUESTS. The commissioner's court may accept a gift, grant, donation, bequest, or devise of money or other property on behalf of the county

Local Government Code Section 280.002 says, a local government may accept ownership of property located in the jurisdiction of the local government if:

- (1) the property is properly conveyed as a gift by a grantor who acquired title to the property from a debtor in default;
- (2) the grantor sent to the local government by registered mail a notice of the grantor's intent to convey the property to the local government; and

- (3) the conveyance instrument grants to the local government unencumbered title to the property.
11. Interlocal Agreement with City or State to develop a site. Pursuant to Chapter 791 of the Government Code, the County could share the costs of development of a tract of land that either entity could provide.
12. Other Miscellaneous Options. Public Improvement District (PID) (Local Government Code Chapter 372), and Tax Increment Financing (TIF) (Tax Code Chapter 311). These are both very complex statutes that are better left for a lengthier discussion.