

CITY OF TEXAS CITY  
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, DECEMBER 6, 2017 - 5:00 P.M.  
KENNETH T. NUNN COUNCIL ROOM - CITY HALL  
1801 9th Ave. N.  
Texas City, TX 77590

PLEASE NOTE: Public comments and matters from the floor are generally limited to 3 minutes in length. If you would like to request to speak, please do so in advance of the meeting by filling out a Request To Address Commission form. All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

- (1) ROLL CALL
- (2) INVOCATION
- (3) PLEDGE OF ALLEGIANCE
- (4) REPORTS
  - (a) Emergency Management Annual Report (Homeland Security)
  - (b) Utilities Customer Service (Water)
- (5) PUBLIC HEARING
  - (a) Public hearing to receive public comments on an amendment to the "Texas City Gulf Coast Reinvestment Zone No. 1" for purposes of commercial-industrial tax abatement to more particularly define the boundaries of the reinvestment zone by legal description pursuant to Texas Tax Code Section 312.201(d)
- (6) CONSENT AGENDA
  - (a) Approve City Commission Minutes for November 15, 2017 meeting. (City Secretary)
  - (b) Consider and take action on Resolution 17-083, to approve a Chapter 312 Tax Abatement Agreement Between the City of Texas City, Texas, Gulf Coast Ammonia, LLC, and Eastman Chemical Texas City, Inc. for Property Located in the Texas City Gulf Coast Reinvestment Zone No. 1. (Management Services)
  - (c) Consider and take action on Resolution 17-084, to approve a Chapter 380 Economic Development and Performance Agreement for Property Located in the Texas City Gulf Coast Reinvestment Zone No. 1. (Management Services)

- (d) Consider and take action on Resolution No. 17-085, to approve the purchase of a camera through CDW Government, LLC using a grant provided by the Houston-Galveston Area Council (H-GAC). (Homeland Security)
- (e) Consider and take action on Resolution No. 17-086, to approve and award Bid #2018-038 for the Janitorial Services Annual Contract. (Purchasing)
- (7) REGULAR ITEMS
  - (a) Consider and take action on Ordinance No. 17-31, to amend the City of Texas City fiscal budget to create an additional dispatcher position. (Finance)
  - (b) Consider and take action on Ordinance 17-32, amending "Texas City Gulf Coast Reinvestment Zone No. 1" to more particularly define its boundaries by legal description for commercial-industrial tax abatement purposes and making certain findings of fact in accordance with Texas Tax Code Section 312.201. (Management Services)
- (8) PUBLIC COMMENTS
- (9) MAYOR'S COMMENTS
- (10) COMMISSIONERS' COMMENTS
- (11) ADJOURNMENT

NOTICE OF ANY SUBJECT APPEARING ON THIS AGENDA REGARDLESS OF HOW THE MATTER IS STATED MAY BE ACTED UPON BY THE CITY COMMISSION.

NOTICE: The City of Texas City will furnish free transportation to handicapped individuals via a 4-door sedan for anyone wishing to attend the City Commission meetings. Call 948-3111, City Secretary's Office before noon on Monday preceding the meeting to make arrangements.

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT CITY HALL, 1801 9TH AVENUE NORTH, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON NOVEMBER 30, 2017, PRIOR TO 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

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NICHOLAS J. FINAN  
EXECUTIVE DIRECTOR OF MANAGEMENT SERVICES

**CITY COMMISSION REGULAR MTG**

**(4) (a)**

**Meeting Date:** 12/06/2017

**Submitted For:** Rhomari Jackson-Glover, City Secretary

**Submitted By:** Michelle Garcia, City Secretary

**Department:** City Secretary

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**Information**

**ACTION REQUEST (Brief Summary)**

Emergency Management Annual Report (Homeland Security)

**BACKGROUND**

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

powerpoint

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# TEXAS CITY EMERGENCY MANAGEMENT Annual Report



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# Emergency Management Outreach

*More than 5,400 more citizens registered with the Emergency Blackboard connect system for a total of 24,100 citizens registered.*

- *Utilized Water Department-Current and new residents (customers) have the opportunity to sign up for the Blackboard Emergency System.*

*Grassroots project with Commissioner Bowie and Constable Derrek Rose.*

- *Visited almost 25 churches in a two month period and spoke with about 4,000 people in those congregations about our emergency notification system and Hurricane Preparation.*

*Added almost 2,220 citizens to our Facebook page.*

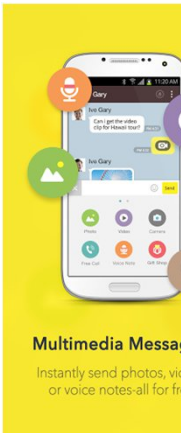


# PUBLIC SERVICE ANNOUNCEMENTS

FCC process for 530 AM RADIO to alert citizens(FCC final approval)

Utilizing Facebook, BlackBoard, and social media.

Ex.-Hurricane Harvey:12 BB messages went out in a two week period allowing for citizens to get updates on storm status, flooded areas and debris management.



Blackboard

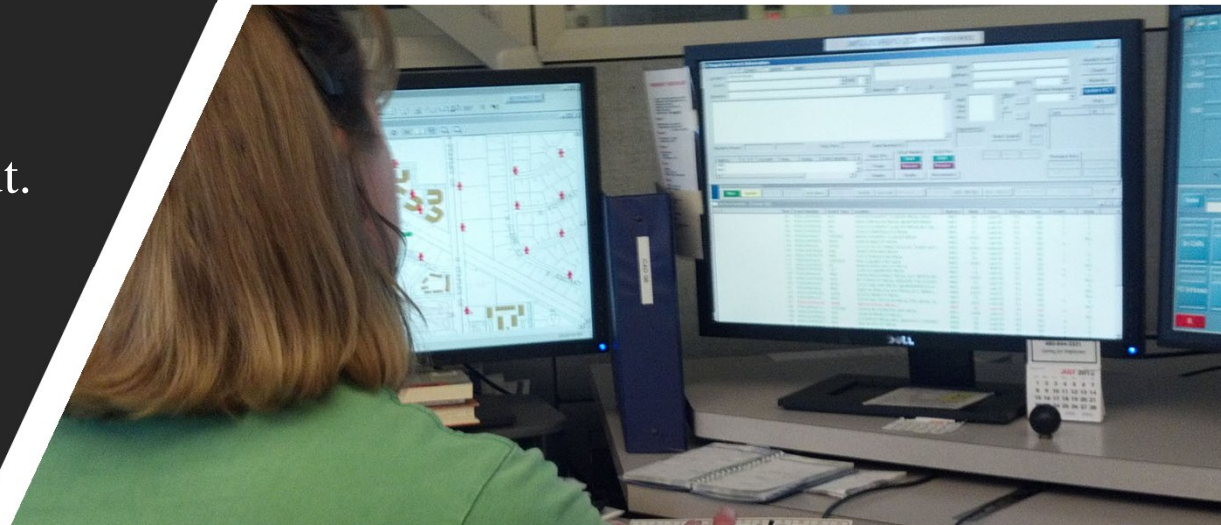


# Office of Emergency Communications (OEC) collaboration

Developed, Coordinated and Trained OEC personnel on Siren Activation, Emergency Response Guidebook (ERG) and Industrial Mutual Aid System (IMAS) call protocols.

Quarterly meetings/training with OEC personnel. (Fire and Police)

Resulting in updated Industrial Level questioning format and constructive input.



# Hurricane Charlie evacuation exercise

Full Scale State Wide Hurricane Exercise

Successful evacuation exercise utilizing the Emergency Tracking Network (ETN).

IT ETN model extremely successful

- Standard adopted by State

Great city wide input and teamwork (Fire, PD, Parks and Recreation Department)

Signed MOU with Galveston County Health District for an Alpha POD that could benefit our city in case of Public Health Emergency. (Ex. H1N1 outbreak)





RECOGNIZED, COORDINATED AND HELD FIRST NURSING HOME SYMPOSIUM IN TEXAS.

JOINT EFFORTS WITH STAKEHOLDERS

ATTENDED BY APPROXIMATELY 300 NURSING HOME AND DIALYSIS CENTER DIRECTORS AND EMPLOYEES.

HELPED IDENTIFY IMPORTANCE OF EVACUATION PLANS AND SAFETY.

(EX. Dickinson Nursing Home)

# NURSING HOME SYMPOSIUM

# Hurricane

# Preparedness

## Hurricane Townhall Meeting

- Local, County and State speakers

- Approximately 200 people attended

- StormReady

- Critical Storm Ready by National Weather Service

- Ensured and updated EMT and OEC was operational ready for natural disaster (had weather plans, Weather radio, etc.)

- Hurricane Preparedness Education

- (Together Against the Weather).



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DON'T WAIT. COMMUNICATE.  
MAKE YOUR EMERGENCY PLAN TOGETHER.



SEPTEMBER IS NATIONAL PREPAREDNESS MONTH



AMERICA'S

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This Photo by Unknown Author is licensed under CC BY

# IT RAINED A LOT !!!! TWICE!!!

1100 homes were impacted

415 water rescues

525 evacuees taken in at temporary shelter that was set up at the Sanders Center.

550 volunteers that helped out at the Sanders Center

About 200 volunteers that assisted with boats and large vehicles for potential rescues.

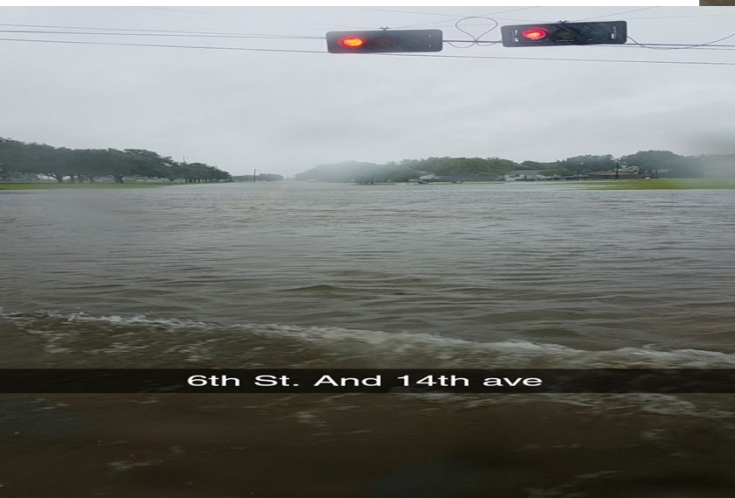
We were able to send three 5 ton truckloads full of donations to other shelters in the county.

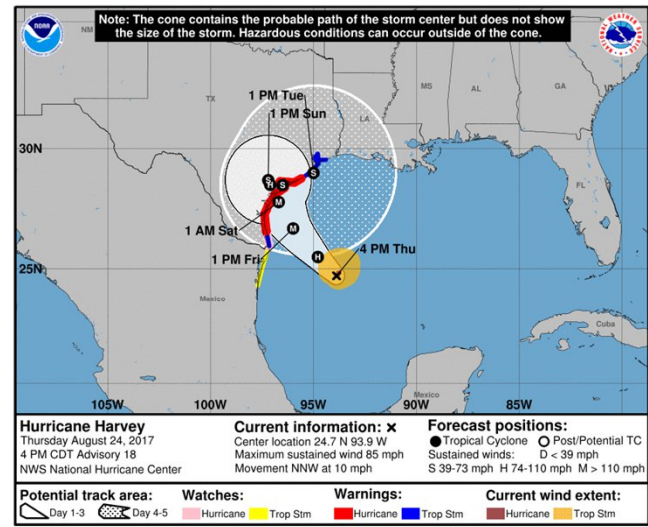
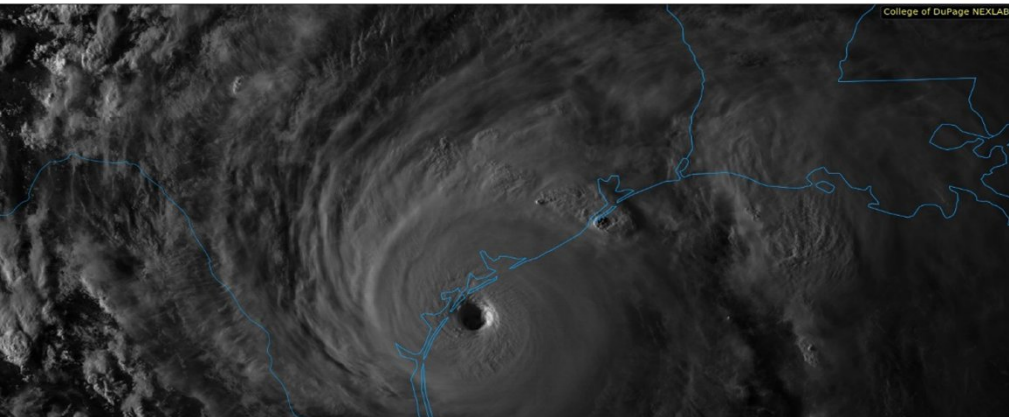
Approximately 3000 calls taken by OEC and makeshift call center

Prior to Hurricane-December 3<sup>rd</sup> –worst flooding in 22 years.

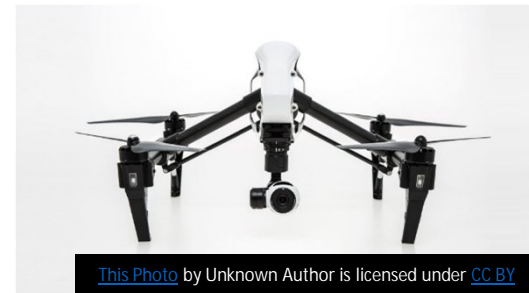


# Hurricane Harvey Pictures





# Drone Program



Purchased 2 Mavic Pro Drones to be used by the Office and Fire Department.

The drones can be used:

By Police Department to help assess an area before a search warrant is executed or to take aerial photos of a automobile crash site.

By Fire department to take aerial view of house or apartment fires which can help in risk assessment.

By Public Works for damage assessment

Certified drone training class was held.

Drones are registered with FAA





# Tower Camera Updates

Updated Tower Camera's with newer model camera's which are located on 14<sup>th</sup> and 25<sup>th</sup> Texas City water Towers. Previous Cameras were ten years old.

Purchased camera's which are to be installed on both Attwater Rd and Godard Park. This will enable Emergency Management and OEC to have visibility on the flood gate, Levee, Ashland Chemical Plant and Hwy 146, which is an evacuation route.

Updated Television's in the EOC room that are used to monitor emergency weather conditions, media stations and cameras throughout the city.



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# Grant Purchased Camera

\$70,752 State Homeland Security  
Grant.

Mobile tower security camera  
package

Will allow for 360 viewing from  
cell phone and OEC.

Utilized for special events,  
security, criminal activity  
deterrence .



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# CITY INVITATION

Selected by FEMA to host Washington  
Delegation

- Michael Mulvaney - Director - Office of  
Management and Budget

- FEMA Region 1 Director (Coordinator)

- Tony Robinson (Region 8 Director)

- Kevin Hennes (Region 6  
Coordinator)

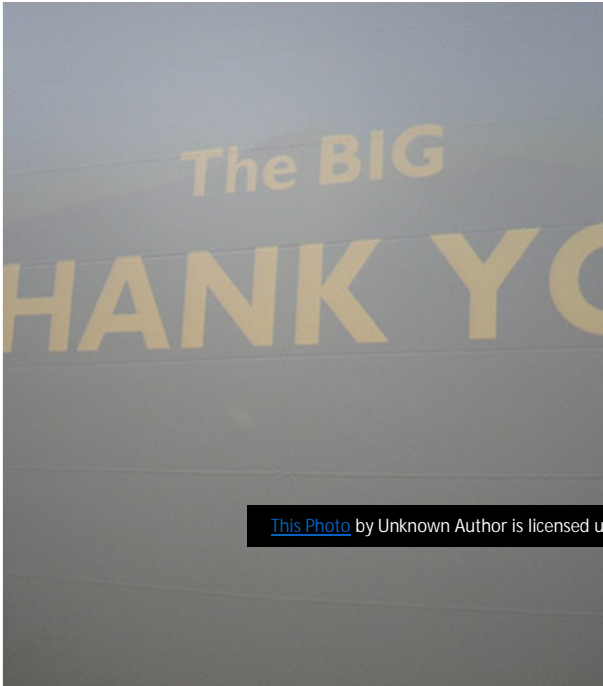
- Gave tour of levee and pump system  
for better understanding of city  
infrastructure



# Team Work

Thank you all for everything!!!

Great team/family



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**CITY COMMISSION REGULAR MTG**

**(4) (b)**

**Meeting Date:** 12/06/2017

**Submitted By:** Michelle Garcia, City Secretary

**Department:** City Secretary

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**Information**

**ACTION REQUEST (Brief Summary)**

**BACKGROUND**

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

powerpoint

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# UTILITY BILLING/CUSTOMER SERVICE

Supervisor-Irene Fattig

Customer Service-Bernice Hibbitts

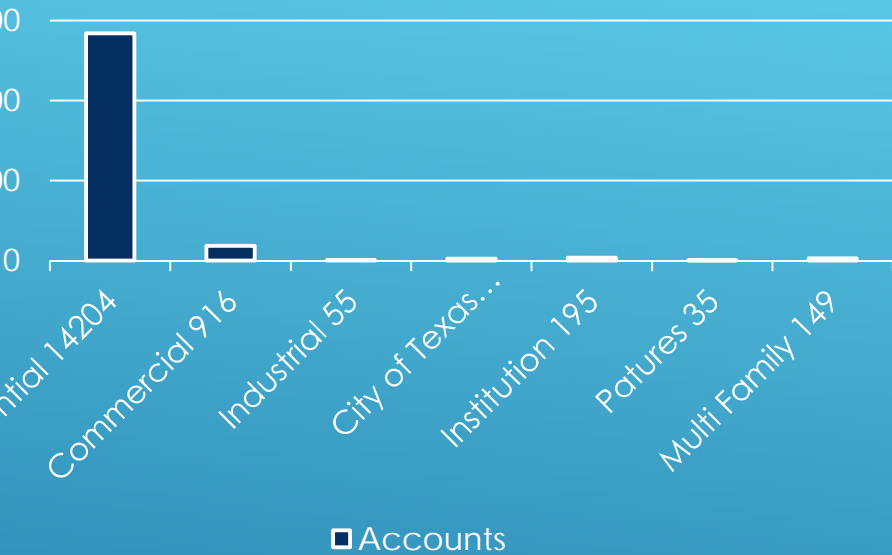
Billing Clerk-Andrea Rivera

Billing Clerk-Christina Hinojosa

GIS Field Technician-Wesley Kurtz

Meter Readers-4 Technicians

## Accounts



## ➤ Currently Servicing Approx. 15,500 Accounts

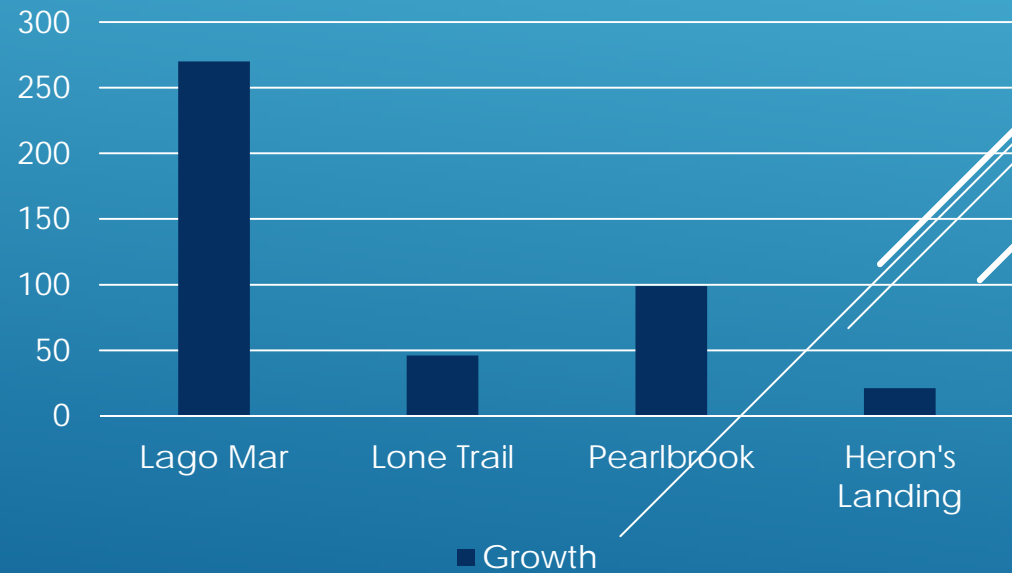
- Residential=14204
- Commercial=916
- Industrial=55
- City of Texas City=134
- Institution=195 (Churches, Schools, M Facilities, etc)
- Patures=35
- Multi Family 149

## Growth since 2015

- Lago Mar= 0 to 270
- Lone Trail=80 to 126
- Pearlbrook=130 to 229
- Heron's Landing=21

✓ Net Growth=Approx. 436 homes

## Growth



# BEACON AMA (ADVANCED METERING ANALYTICS) METER READING SYSTEM BY BADGER METER

Beacon meters are in all new construction areas.

Approximately 500 in the ground, mostly residential.

Replacement project complete in Grand Cay Harbour.

Next phase is replacing hard to read commercial meters.

A decorative graphic consisting of several parallel white lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the slide.

**CITY COMMISSION REGULAR MTG**

**(6) (a)**

**Meeting Date:** 12/06/2017

**Submitted By:** Rhomari Jackson-Glover, City Secretary

**Department:** City Secretary

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**Information**

**ACTION REQUEST (Brief Summary)**

Approve City Commission Minutes for November 15, 2017 meeting. (City Secretary)

**BACKGROUND**

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

Minutes

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REGULAR CALLED CITY COMMISSION MEETING

MINUTES

WEDNESDAY, NOVEMBER 15, 2017 – 5:00 P.M.  
KENNETH T. NUNN COUNCIL ROOM – CITY HALL

A Regular Called Meeting of the City Commission was held on Wednesday, NOVEMBER 15, 2017, at 5:00 P.M. in the Kenneth T. Nunn Council Room in City Hall, Texas City, Texas. A quorum having been met, the meeting was called to order at 5:01 p.m. by Mayor Matthew T. Doyle.

1. ROLL CALL

Present: Matthew T. Doyle, Mayor  
Phil Roberts, Mayor Pro Tem  
Bruce Clawson, Commissioner At Large  
Dee Ann Haney, Commissioner At Large  
Thelma Bowie, Commissioner District 1  
Dorthea Jones, Commissioner District 3  
Jami Clark, Commissioner District 4

2. INVOCATION

Led by Commissioner Roberts.

3. PLEDGE OF ALLEGIANCE

Led by Bruce Clawson.

4. PROCLAMATIONS AND PRESENTATIONS

Mayor Doyle presented a resolution dedicated to Ronald Plackemeier. Motion for the final Resolution was given by Commissioner Clawson and Seconded by Commissioner Haney.

a. Service Awards

Yotoshia Bellow	Parks & Recreation	11/26/2012	05 years
Richard Jaramillo	Parks & Recreation	11/14/2012	05 years
John Picard	Police	11/05/2012	05 years
Anson Johnson	Parks & Recreation	11/20/2007	10 years
James Patterson	Police	11/12/2007	10 years
Andra Hosea	Water Distribution	11/14/2002	15 years
Randy Mouton	Sewer	11/11/1987	30 years

b. Recognize Mainland Crimestoppers with the Productivity Award for 2016. (Police Department)

Robery Burby, Police Chief, presented the 2016 Productivity Award to Mainland Crimestoppers.

5. REPORTS

- a. Utilities Customer Service (Water)

Will be postponed to the December 6, 2017, Agenda

- b. Community Development Quarterly Report (Code Enforcement)

Todd Sukup, Building Official, and Randal Johnston, Police Officer, spoke on how the abatement process works and the resolve rate for each type of abatement filed.

## 6. CONSENT AGENDA

Motion by Commissioner Haney, Seconded by Commissioner Clark to approve consent items a through e.

- a. Approve City Commission Minutes for November 1, 2017, meeting. (City Secretary)

- b. Consider and take action on Resolution No. 17-079, authorizing Mayor to enter into an agreement with TXDoT for Exit Ramp near Holland Rd on I-45. (City Secretary)

**Vote: 7 - 0 CARRIED**

- c. Consider and take action on Resolution No. 17-080, authorizing the Mayor to enter into an agreement with Buc-ee's Ltd. to receive \$400,000 for the installation of an Exit Ramp near Holland Rd on I-45. (City Secretary)

**Vote: 7 - 0 CARRIED**

- d. Consider and take action on Resolution No. 17-081, authorizing the Mayor to enter into an agreement with Buc-ee's Ltd. to extend the existing Chapter 380 agreement 2 years. (City Secretary)

**Vote: 7 - 0 CARRIED**

- e. Consider and take action on Resolution No. 17-082, approve and award the annual contract for Bid # 2018-037 Surface Treatment Rock, Basalt Rock, and Limestone. (Public Works)

**Vote: 7 - 0 CARRIED**

## 7. REGULAR ITEMS

- a. Consider and take action on Ordinance No. 17-29, amending the City of Texas City's 2017/2018 fiscal year budget to close the 2016-2017 fiscal year purchase orders. (Finance)

Laura Boyd, Finance Director, stated that purchase orders that are outstanding at the end of the fiscal year are to be canceled and rolled into the current fiscal year 2017-2018. Since encumbrances impact budgets, the current fiscal year's budget must be increased to reflect outstanding encumbrances from the 2016-2017 fiscal year.

Motion by Commissioner District 4 Jami Clark, Seconded by Commissioner District 1 Thelma Bowie

**Vote: 7 - 0 CARRIED**

- b. Consider approval of Ordinance No. 17-30, amending the City of Texas City's fiscal year 2017/2018 budget to facilitate the construction of a southbound exit ramp off I-45 at Holland Road. (Finance)

Laura Boyd, Finance Director, stated that the budget amendment required is a transfer from TCEDC to the City, receipt of funds from Buc-ee's Ltd. into the General Fund, and the City's payment to TxDOT. As of November 15, 2017, the money from Buc-ee's Ltd. had been received.

Motion by Commissioner At Large Dee Ann Haney, Seconded by Commissioner District 4 Jami Clark

**Vote: 7 - 0 CARRIED**

8. STAFF COMMENTS

Nick Finan, Director of Management Services, expressed his sympathy for the passing of his friend, Ron Plackemeier. He also thanked D'Andre Conley for the work and professionalism he put into Ron's tribute video.

Justin Herter, City Staff, stated how much Ron will be missed.

9. MAYOR'S COMMENTS

Mayor Doyle requested that every one direct their view to one of the screens to watch Ron Plackemeier's tribute video.

10. COMMISSIONERS' COMMENTS

Commissioner Roberts, reminded everyone that plans to attend Ron Plackemeier's funeral to wear maroon, at the request of his wife Gayle.

Commissioner Clawson, stated that there was much as he could say about Ron, but he was not ready to start. He wished everyone a "Happy Thanksgiving."

Commissoiner Jones wished everyone a "Happy Thanksgiving."

11. ADJOURNMENT

Having no further business, Commissioner Dee Ann Haney made a MOTION to ADJOURN at 5:35 p.m.; the motion was SECONDED by Commissioner Dorthea Jones. All present voted AYE. MOTION CARRIED.

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MATTHEW T. DOYLE, MAYOR

ATTEST:

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James Hartshorn, City Secretary  
Date Approved:

**CITY COMMISSION REGULAR MTG**

**(6) (b)**

**Meeting Date:** 12/06/2017

**Submitted By:** Rhomari Jackson-Glover, City Secretary

**Department:** City Secretary

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**Information**

**ACTION REQUEST (Brief Summary)**

Consider and take action on Resolution 17-083, to approve a Chapter 312 Tax Abatement Agreement Between the City of Texas City, Texas, Gulf Coast Ammonia, LLC, and Eastman Chemical Texas City, Inc. for Property Located in the Texas City Gulf Coast Reinvestment Zone No. 1. (Management Services)

**BACKGROUND**

Gulf Coast Ammonia is a company looking to construct an ammonia plant on property located within the Eastman Chemical Plant. In exchange for a Tax Abatement of 10 years starting in 2021 at 100% on value from \$400,000,000 to \$800,000,000, the Company will pay the City \$750,000 (if it is \$400,000,000 in value) up to \$1,000,000 (if it is \$800,000,000 in value) annually in a Chapter 380 Agreement. In essence, the City will be granting an equivalent of a 60% discount on taxes. The arrangement allows both entities advantages on tax benefits. See attachments for more details on the agreement and the next Agenda item, 6c.

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

Resolution

Staff Report

Abatement Agreement

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**RESOLUTION NO. 17-083**

**A RESOLUTION OF THE CITY OF TEXAS CITY, TEXAS, GRANTING A REQUEST FOR TAX ABATEMENT RELIEF AND APPROVING A CHAPTER 312 TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF TEXAS CITY, TEXAS, GULF COAST AMMONIA, LLC AND EASTMAN CHEMICAL TEXAS CITY, INC. FOR PROPERTY LOCATED WITHIN THE “TEXAS CITY GULF COAST REINVESTMENT ZONE NO. 1”, AS MAY BE AMENDED, AND AUTHORIZING THE MAYOR TO EXECUTE THE TAX ABATEMENT AGREEMENT FOR SAID TAX ABATEMENT; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

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**WHEREAS**, Gulf Coast Ammonia, LLC, (“Applicant”) submitted an Application for Property Tax Abatement to the City on or about January 5, 2017 requesting the City fo Texas City, Texas (“City”) enter into a Chapter 312 Tax Abatement Agreement for the real property owned by Eastman Chemical Texas City, Inc. and leased to Gulf Coast Ammonia, LLC for the proposed construction and operation of Gulf Coast Ammonia, LLC’s proposed ammonia manufacturing facility to be located in the City of Texas City; and

**WHEREAS**, the City desires to provide tax abatement incentives for the purpose of encouraging the development of primary employment and attracting major economic investments in the City through the development or expansion of land or commercial and industry related uses; and

**WHEREAS**, the City has complied with all the prerequisites of Chapter 312 of the Texas Tax Code for granting tax abatement relief to the Applicant, including but not limited to:

- a) The City’s election to become eligible to participate in tax abatement; and
- b) The City’s adoption of guidelines and criteria governing tax abatement agreements; and
- c) The City’s holding of a public hearing and the adoption of Ordinance 17-16 on May 17, 2017, initially creating the “Texas City Gulf Coast Reinvestment Zone No. 1” (the “Reinvestment Zone”) as well as the proper amendment of that Reinvestment Zone by the holding of a public hearing and the adoption of Ordinance 17-32 on December 6, 2017 amending the Reinvestment Zone to more particularly define the boundaries of that zone by legal description; and

**WHEREAS**, the City recognizes the positive economic impact the Applicant's project will have on the community and desires to offer tax abatement incentives through the proposed Chapter 312 Tax Abatement Agreement in conjunction with the Chapter 380 Economic Development and Performance Agreement to encourage development of the Applicant's project which will generate new *ad valorem* property taxes and employment opportunities in the community.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:**

**SECTION 1:** All of the recitals stated above and in the proposed Chapter 312 Tax Abatement Agreement are found to be true and correct and are incorporated herein.

**SECTION 2:** The City Commission of the City of Texas City hereby grants the Applicant's request for tax abatement relief and hereby approves the Chapter 312 Tax Abatement Agreement as proposed.

**SECTION 3:** The City Commission of the City of Texas City hereby authorizes the Mayor to execute the proposed Tax Abatement Agreement with Gulf Coast Ammonia, LLC and Eastman Chemical Texas City, Inc. in substantially the same form as attached hereto and made a part hereof for all intents and purposes. However, the City Commission's approval of the Tax Abatement Agreement and authorization to execute is specifically subject to the Texas City Independent School District Board of Trustees authorizing the execution of, and the actual execution of, a Chapter 313 Property Value Limitation Agreement for the Gulf Coast Ammonia project also made the basis of this Chapter 312 Tax Abatement Agreement.

**SECTION 4:** If any section, sentence, clause or phrase of this Resolution should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Resolution and the City Commission declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional.

**SECTION 5:** That this Resolution shall be in full force and effect from and after its passage and adoption.

**PASSED AND ADOPTED this 6th day of December 2017.**

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Matthew T. Doyle, Mayor  
City of Texas City, Texas

**ATTEST:**

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James Hartshorn  
City Secretary

**APPROVED AS TO FORM:**

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Russell F. Plackemeier  
City Attorney

## STAFF REPORT

**TO:** Mayor Matthew T. Doyle  
City Commissioners

**RE:** Project Jupiter  
Approval of Chapter 312 Tax Abatement Agreement

**MATTER:** 4003.3-2017

**DATE:** November 29, 2017

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## CONSIDERATION AND APPROVAL OF PROPOSED CHAPTER 312 TAX ABATEMENT AGREEMENT

### ACTION REQUEST:

(7)(a) Consider and take action on Resolution 17-083 to approve a Chapter 312 Tax Abatement Agreement Between the City of Texas City, Texas, Gulf Coast Ammonia, LLC, and Eastman Chemical Texas City, Inc. and authorize the Mayor to execute the Agreement and all other related documents.

### BACKGROUND:

Gulf Coast Ammonia, LLC submitted an Application for Tax Abatement to the City on or about Jan. 5, 2017.

The proposed Chapter 312 Tax Abatement Agreement represents almost a year's worth of work to negotiate, memorialize, and satisfy the procedural requirements imposed by Chapter 312 to grant Gulf Coast Ammonia a tax abatement for its new ammonia manufacturing plant at the Eastman Chemical site.

- Parties: The City, Gulf Coast Ammonia, LLC (GCA), and Eastman Chemical Texas City, Inc. (Eastman) are the parties to the agreement. GCA is leasing a portion of two parcels of Eastman's land for its project. Both the Lessor and Lessee should be parties to the abatement agreement so as to be able to abate Eastman's ad valorem tax as the *real property* owner, and GCA's tax as the owner of the other property and improvements to be constructed on the property.
- Terms: In exchange for a 10-year / 100 percent abatement, GCA has committed to construct at least \$450M worth of improvements on the site for which 100% of the taxes on the land and eligible improvements will be abated. However, the various values for personal property,

improvements and land reflected in Section 4.3 are estimated figures relating to taxable values of abated properties after the tax abatement expires based on impact forecast given by Moak, Casey & Associates to Texas City Independent School District. Taxable value upon completion of project for personal property is based on cost of production for annual estimated inventory at that time.

- Tax Protests: GCA is prohibited from protesting any values that are \$800M or less in value.
- Default: GCA will default under the Agreement if (i) fail to begin construction within 2 years from 12/6/17; (ii) fail to complete construction and place their improvements in service by 12/31/21 (GCA estimates construction will take 40 months); (iii) fail to comply with the companion Chapter 380 Agreement, (iv) or breach the Agreement in any other way.
- Remedies: In the event of an uncured default by GCA, the City gets all the taxes it would have otherwise collected during the year of default, or in the event the City legitimately terminates the entire Agreement GCA could be obligated to pay all taxes that would have otherwise been due during the abatement term.
- Long-Term Value: We estimate that the GCA's project will be a success and will ultimately result in at least \$800M in added taxable value to the City, if not \$1B or more.

**ANALYSIS:**

N/A

**CHAPTER 312**

**TAX ABATEMENT AGREEMENT**

**BETWEEN**

**THE CITY OF TEXAS CITY, TEXAS,**

**GULF COAST AMMONIA, LLC, AND**

**EASTMAN CHEMICAL TEXAS CITY, INC,**

STATE OF TEXAS

§

§ CITY OF TEXAS CITY, TEXAS

COUNTY OF GALVESTON

§

This Chapter 312 Tax Abatement Agreement (“Agreement”) is made, entered, and executed by and among **EASTMAN CHEMICAL TEXAS CITY, INC.**, a Delaware corporation (“**EASTMAN**”), which is the owner/lessor of the taxable real property (the “Property”) located within the City of Texas City, Galveston County, Texas, and specifically located within the “Texas City Gulf Coast Reinvestment Zone No. 1” (“Reinvestment Zone”); **GULF COAST AMMONIA, LLC**, a Delaware limited liability company (“**COMPANY**”), which is the lessee of the Property and the owner of taxable property located within the Reinvestment Zone; and the **CITY OF TEXAS CITY, TEXAS**, a home rule municipality acting through its City Commission (“City”). The Company leases the Property from Eastman pursuant to a Memorandum of Lease dated November 27, 2017 (“Ground Lease”). Eastman, Company, and the City are sometimes jointly referred to herein as the “**PARTIES**” and sometimes individually referred to as a “**PARTY.**” Eastman is executing this Agreement solely in its capacity as owner/lessor of the Property pursuant to the Ground Lease and for the sole purpose of acknowledging and agreeing to Company’s execution of this Agreement.

This Agreement is made and entered into between the **PARTIES** in conjunction with a Chapter 380 Economic Development and Performance Agreement executed pursuant to Chapter 380 of the Texas Local Government Code and for the purpose of encouraging the development of primary employment and attracting major economic investments to the City.

## I. AUTHORIZATION

1.1. This Agreement is authorized by the Texas Property Redevelopment and Tax Abatement Act, Texas Tax Code, ("Tax Code") Chapter 312, V.T.C.A., as amended, and by authorization of the City for property located in the Reinvestment Zone and constitutes the valid and binding obligation of the City from and after execution hereof by all **PARTIES**. Company's execution and performance of this Agreement has been duly authorized and constitutes the valid and binding obligation of Company from and after execution hereof by all **PARTIES**. Eastman's execution and performance of this Agreement has been duly authorized and constitutes the valid and binding obligation of Eastman from and after execution hereof by all **PARTIES**.

## II. CONDITIONS PRECEDENT

2.1. The City properly complied with the notice and public hearing requirements for the designation of a reinvestment zone pursuant to Sec. 312.201 of the Texas Property Tax Code and did thereby designate the Texas City Gulf Coast Reinvestment Zone No. 1 by Ordinance No. (Ordinance No. 17-16) adopted on May 17, 2017, as amended ("**Reinvestment Zone Ordinance**") attached hereto as Exhibit "A". The City properly approved the Company's Tax Abatement Application ("**Abatement Application**") which is attached hereto as Exhibit "B" and authorized the City to enter into this Agreement with Company for the abatement of certain ad valorem taxes pursuant to Chapter 312 of the Tax Code, as provided in this Agreement as evidenced by Resolution No. 17-083 adopted on December 6, 2017, ("**Abatement Resolution**") which is attached hereto as Exhibit "C." The **PARTIES** agree that the recitations, findings, and representations contained in the Reinvestment Zone Ordinance, the Abatement Application, and the Abatement Resolution are true and correct and are hereby incorporated into this Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Abatement Application, the terms of this Agreement shall control and the terms of the Abatement Application shall be automatically amended to conform to the terms of this Agreement.

2.2 The execution of this Chapter 312 Agreement is contingent upon the execution of a Chapter 380 Economic Development Agreement between the City and

Company contemporaneously herewith, or other terms and conditions as may be established by the City or its Abatement Resolution approving this Agreement.

### III. DEFINITIONS, GUIDELINES & CRITERIA

3.1. As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The **“2017 Certified Appraised Value”** means the January 1, 2017 value of all taxable property located within the Reinvestment Zone as certified by the Galveston County Appraisal District as of that date.
- b. **“Improvements”** means the buildings or portions thereof and other improvements, including fixed machinery, equipment and process units, used for commercial or industrial purposes that are constructed by Company on the Property after January 1, 2017.
- c. **“Construction Phase”** means a material and substantial improvement of the Property which represents a separate and distinct construction operation undertaken for the purpose of constructing the Improvements. The period of Construction Phase ends when commercial production of “on-specification” product is achieved at or by the Improvements, as defined below.
- d. **“Abatement”** means the full or partial exemption from ad valorem taxes of all taxable property in the Reinvestment Zone designated for economic development purposes.
- e. **“Eligible Abatement Property”** means the buildings, structures, fixed machinery, equipment and process units and improvements necessary to the operation and administration of the Improvements.
- f. **“New Eligible Abatement Property”** means Eligible Abatement Property, the construction of which commences subsequent to the date of execution of this Agreement. A list of the New Eligible Abatement Property is set forth in Company’s Abatement Application dated January 5, 2017 and submitted to the City which is attached hereto as Exhibit “B” and incorporated herein by reference and made a part hereof. During the Construction Phase of the New Eligible Abatement Property, Company may make such change

orders relating to the construction of the New Eligible Abatement Property as are reasonably necessary to accomplish its intended use.

- g. **“Ineligible Abatement Property”** means land, inventories, supplies, tools, furnishings, and other forms of movable personal property, including but not limited to, vehicles, vessels, aircraft, housing, hotel accommodations, deferred maintenance investments, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion, any improvements including those to produce, store, or distribute natural gas, fluids or gases, which are not necessary to the operation of the Improvements, and property that has an economic life of less than fifteen (15) years.
- h. **“Affiliate”** of any person or entity identified in this Agreement means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition, the term **“control”** when used with respect to any person or entity in conjunction with the term “affiliate” means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing term **“control”** as herein defined.
- i. **“Force Majeure”** means an event or occurrence caused by (i) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over Company or the Project as defined in Sec. 8.1; (ii) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (iii) the action, judgment or decree of any court having competent jurisdiction; (iv) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, sinkholes, evacuation due to threats of sinkholes, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances,

insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require Company to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of Company to ship or failure of carriers to transport electricity from Company's facilities; or (v) any other cause (except financial), whether similar or dissimilar, over which Company has no reasonable control and which forbids or prevents performance.

3.2. The tax abatement guidelines and criteria for granting tax abatements in a reinvestment zone created in the City of Texas City, Galveston County, Texas, which the City initially adopted on January 18, 2017 by Resolution No. 17-002, which is attached hereto as Exhibit "D" and incorporated herein by reference and made a part hereof, are applicable to this Agreement and are incorporated herein by reference, together with any applicable amendments ("**City Guidelines and Criteria**"). The City has determined that the terms of this Agreement meet the City Guidelines and Criteria for granting tax abatements in the Reinvestment Zone and all other terms and conditions as established by the City .

#### **IV. SUBJECT PROPERTY**

4.1. The Reinvestment Zone designated by Ordinance No. 17-16, as amended, is an area within the City of Texas City, Galveston County, Texas, comprising 26.6830-acres of land, more or less, generally described in Exhibit "A" attached hereto and incorporated herein.

4.2. The 2017 Certified Appraised Values for the Land, Improvements and Tangible Personal Property located within the Reinvestment Zone that will be hereafter certified by the Galveston County Appraisal District in accordance with applicable law are hereby incorporated in this Agreement by reference.

4.3. Company estimates the appraised values of Land, Improvements and Tangible Personal Property located on the Property within the Reinvestment Zone to be as follows:

	<b>Personal Property</b>	<b>Improvements</b>	<b>Land</b>
Taxable Value as of January 1 <sup>st</sup> <i>Preceding</i> Tax Abatement Agreement	\$ -0-	\$ -0-	\$ 425,000
Estimated Taxable Value of Abated Properties <i>After</i> Abatement Expires	\$ 265,472,686	\$ 66,368,171	\$ 425,000
Taxable Value <i>Upon Completion</i> of Project (Personal Property and Project Improvements Not Subject to Abatement)	\$ 3,000,000	\$ -0-	\$ 425,000

\*\* Estimated Value of Pollution Control Equipment to be exempt.

The above estimated appraised values may account for depreciation over time and may be subject to further change based on actual appraised values as may be established by the Galveston County Appraisal District. Estimated figures relating to taxable value of abated properties after abatement expires are based on impact forecast given by Moak, Casey & Associates to Texas City Independent School District. Taxable value upon completion of project for personal property is based on cost of production for annual estimated inventory.

4.4. Company will set up a separate tax account with the Galveston County Appraisal District for the Improvements.

## **V. VALUE AND TERM OF AGREEMENT**

5.1. The Abatement provided for in this Agreement shall be effective on the January 1, 2020 valuation date as authorized by Sec. 312.007 of the Tax Code. In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage as indicated in the Tax Abatement Schedule (“**Schedule**”) below. The appraised value, as defined in the Texas Property Tax Code, of New Eligible Abatement Property must be abated in accordance with the Schedule below:

## TAX ABATEMENT SCHEDULE

<u>Tax Year Abated</u>	<u>Percentage of Value Abated</u>
2020	100%
2021	100%
2022	100%
2023	100%
2024	100%
2025	100%
2026	100%
2027	100%
2028	100%
2029	100%

5.2. As part of the consideration for the City’s abatement as set forth above, Company agrees to tender Chapter 380 Payments according to the Chapter 380 Payment Schedule as provided in that Chapter 380 Economic Development and Performance Agreement (“380 Agreement”), as authorized by Resolution **No. 17-084** (“**Chapter 380 Resolution**”) and executed contemporaneously herewith for the purpose of encouraging the development of primary employment and attracting major economic investments to the City. The 380 Agreement and its authorizing Chapter 380 Resolution are attached hereto as Exhibits “E” and “F”, respectively, and incorporated herein by reference and made a part hereof.

### VI. VARIANCE

Intentionally deleted.

### VII. TAXABLE VALUE & VALUE PROTEST

7.1. During the period that this tax abatement is effective (“**Abatement Period**”):

- a. The appraised value of Ineligible Abatement Property shall be fully taxable; and
- b. The appraised value, as defined in the Texas Property Tax Code, of New Eligible Abatement Property shall be abated

as set forth above under Article V entitled “VALUE AND TERM OF AGREEMENT”; and

- c. The Company shall not contest or protest an appraised value for the Project of eight hundred million dollars (\$800,000,000.00) or less.

### **VIII. CONTEMPLATED IMPROVEMENTS**

8.1. As set forth in Company’s Application dated January 5, 2017, which is incorporated herein for all purposes, Company represents that it will construct the Improvements, with a guaranteed minimum value of **\$450,000,000 (“Project”)**. During the Construction Phase, Company may make such change orders relating to the construction of the New Eligible Abatement Property as is reasonably necessary to accomplish its intended use but in no event shall that mean a reduction in the guaranteed minimum value of the project. All Improvements shall be completed in accordance with all applicable laws, ordinances, rules, or regulations.

### **IX. LIABILITY**

9.1. No Assumption by the Parties: By executing and performing in accordance with this Agreement, Company assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the City is responsible that is not otherwise addressed by this Agreement. In addition, Company assumes no legal liability for the actions of the City through Company’s execution of and performance under this Agreement. Likewise, the City assumes no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Improvements for which Company is responsible that is not otherwise addressed by this Agreement. In addition, the City assumes no legal liability for the actions of Company or its successors or assigns by virtue of the City’s execution of this Agreement.

9.2. Agents: Each **PARTY** to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, members, trustees or representatives of any other **PARTY**, and each **PARTY** is solely responsible

for the actions and omissions of its own employees, agents, directors, members, trustees or representatives.

9.3. Governmental Immunity: Nothing in this Agreement shall constitute a waiver by the City of its governmental or sovereign immunity.

## **X. EVENTS OF DEFAULT / TERMINATION**

10.1. Events of Default: Following the **PARTIES'** execution of this Agreement, the City may declare Company in default hereunder if Company:

- a. fails to commence construction of the Improvements within two (2) years from the date this Agreement is executed, or
- b. fails to complete construction and place the Improvements in service by December 31, 2021; or
- c. fails to comply with any of the terms of the Chapter 380 Economic Development and Performance Agreement executed in conjunction herewith; or
- d. if Company breaches in any material respect any representation given in this Agreement.

10.2. Notice and Right to Cure Events of Default: If the City declares that Company is in default under this Agreement, the City must notify Company in writing. If Company's default is not cured within sixty (60) days from the date of such notice ("**Cure Period**"), then, as the sole and exclusive remedy of the City for such default, the City may terminate this Agreement and the 380 Agreement by providing further written notice to Company. If Company's default cannot with due diligence be cured within the Cure Period, then subject to the provisions of Section 10.2(a) below, the Cure Period shall be automatically extended for so long as Company is using commercially reasonable efforts to continue to cure Company's default if Company (i) notifies the City of Company's intention to institute steps reasonably necessary to cure Company's default, (ii) institutes steps to cure Company's default and uses commercially reasonable efforts to pursue the remedy of Company's default, and (iii) submits a proposed schedule for the completion of the Improvements, a reasonable explanation concerning the reason for the delay, and a reasonable estimate of the overall percent of the Improvements that is completed as of the date of the City's notice of default.

- a. If after extending the Cure Period in accordance with Section 10.2., Company has not cured its default within two hundred forty (240) days from the date the City delivered its written notice to Company and the City and Company mutually agree that continued use of commercially reasonable efforts to cure such default will not be successful, then there shall be no abatement for the year in which the Company's default first occurred.
- b. In no event shall this Section 10.2. supersede Sections 10.3 thru 10.6 below.

10.3. Grounds for Termination: In the event Company (i) allows its ad valorem taxes on the Improvements or Ineligible Abatement Property to become delinquent or fails to timely and properly follow the legal procedures for the protest and appeal of the ad valorem taxes on the Improvements or Ineligible Abatement Property in accordance with this Agreement, or (ii) defaults under this Agreement and fails to cure as provided by Section 10.2, then (iii) the City may terminate this Agreement and the 380 Agreement.

10.4. City Recapture of Taxes for Default: In the event the City terminates this Agreement and the 380 Agreement pursuant to the provisions of this Article X as a result of an event of default set forth in Section 10.1(a), 10.1(b), 10.1(c), or 10.1(d), the City shall be entitled to recapture all taxes previously abated pursuant to this Agreement. The recaptured taxes shall be the amount equal to (i) the amount of taxes that would have been due for the tax year in which the Company's default occurred and all prior tax years with respect to New Eligible Abatement Property if such taxes had not been abated by virtue of this Agreement that exceeds (ii) the Chapter 380 Payments made for such tax year and all prior tax years pursuant to the 380 Agreement, which amount shall be paid by Company to the City within sixty (60) days of the termination, together with all penalties and interest as required by the Texas Property Tax Code.

10.5. City Recapture of Taxes for Termination: In the event the City terminates this Agreement and the 380 Agreement pursuant to the provisions of this Article X as a result of any other event of default set forth in Section 10.1 or for the reasons set forth in clause "(i)" of Section 10.3 hereof, the City shall be entitled to recapture taxes

previously abated pursuant to this Agreement in an amount equal to (i) the amount of taxes that would have been due for the tax year in which the ground for termination occurred and the immediate prior tax year with respect to New Eligible Abatement Property if such taxes had not been abated by virtue of this Agreement that exceeds (ii) the Chapter 380 Payments made for such tax year and the immediately prior tax year pursuant to the 380 Agreement, which amount shall be paid by Company within sixty (60) days of the termination, together with all penalties and interest as required by the Texas Property Tax Code.

10.6. Discontinuation of Production: In the event the Improvements are completed and begin producing product or services, but subsequently discontinue producing product or services for any reason (excepting fire, explosion, or other casualty, accident, or natural disaster or governmental mandate or declaration of force majeure under any agreement entered into by Company) for a period of two (2) years during the Abatement Period, then the City shall have the right to terminate this Agreement by providing thirty (30) days prior written notice to Company; *provided*, that if Company resumes producing product or services prior to the end of such thirty (30) day period, neither this Agreement nor the 380 Agreement shall terminate. In the event of termination pursuant to the provisions of this Section 10.6, the abatement of the taxes for the calendar year during which the Improvements no longer produces shall terminate, but there shall be no recapture of prior years' taxes abated by this Agreement. The taxes not otherwise abated shall be paid to the City prior to the delinquency date for such year. In no event shall Company be required to pay such taxes within less than sixty (60) days of the date of any such termination pursuant to this Section 10.6.

## **XI.   EQUITABLE RELIEF**

The City's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

## **XII. ADMINISTRATION**

12.1. Administered by City Mayor: This Agreement shall be administered on behalf of the City by its Mayor or his/her designee pursuant to the City's direction or by such other representative designated by City. Upon completion of the Improvements, the City shall annually evaluate the Improvements to ensure compliance with this Agreement.

12.2. Annual Determination by Appraiser: The Chief Appraiser of the Galveston County Appraisal District shall annually determine (i) the taxable value pursuant to the terms of this abatement of the real and tangible personal property located within the Reinvestment Zone and (ii) the full taxable value without abatement of the real and tangible personal property located within the Reinvestment Zone. The Chief Appraiser shall record both the abatement taxable value and the full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year the Company shall furnish the Chief Appraiser with the information required by Chapter 22, Tax Code, V.T.C.A. Such information shall also be provided to the City in preparation of its annual evaluation for compliance with this Agreement.

12.3. Intentionally deleted.

12.4. City Inspection Rights: Company will provide access to and authorizes inspection of the Eligible Abatement Property by City employees for the purpose of ensuring that the improvements or repairs thereto are made according to the specifications and conditions of this Agreement.

12.5. Annual Company Compliance Certificate: Company shall annually certify to City that it is in compliance with all applicable terms of this Agreement.

## **XIII. ASSIGNMENT**

13.1. Company may assign this Agreement to an Affiliate without the written consent of the City provided that (i) such assignment is in conjunction with a contemporaneous assignment to the same assignee of the 380 Agreement, and (ii) Company shall provide written notice of such assignment to the City. Except as

otherwise provided in the immediately preceding sentence, Company may assign this Agreement with the written consent of the City, which consent shall not be unreasonably withheld, delayed or conditioned. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in this Agreement. No assignment shall be approved if Company or the assignee is delinquent in payment of ad valorem taxes or any Chapter 380 Payment due the City under the 380 Agreement executed in conjunction herewith.

#### **XIV. NOTICE**

14.1. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is deposited, enclosed in a wrapper with the postage prepaid thereon, and by registered or certified mail, return receipt requested, in a United States Post Office, addressed to the City or Company. If mailed, any notice shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

**To the Company:**

GULF COAST AMMONIA, LLC  
1815 PURDY AVENUE  
MIAMI BEACH, FL 33139

ATTN: MR. HAMZA SLIMANI

WITH A COPY TO:

VINSON & ELKINS LLP  
1001 FANNIN STREET, SUITE 2500  
HOUSTON, TX 77002

ATTN: ALBERTO P. CARDENAS, JR.

**To the City:**

CITY OF TEXAS CITY  
JAMES HARTSHORN, CITY SECRETARY  
1801 9<sup>TH</sup> AVENUE N  
TEXAS CITY, TX 77590

WITH A COPY TO:

RUSSELL PLACKEMEIER, CITY ATTORNEY  
PO DRAWER 2789  
TEXAS CITY, TEXAS 77590

**To Eastman:**

EASTMAN CHEMICAL COMPANY  
P.O. BOX 511  
KINGSPORT, TN 37662

ATTN: KRISTI M. BENNETT

14.2. Either **PARTY** may designate a different address by giving the other **PARTY** ten (10) days written notice.

**XV. AUTHORITY**

15.1. Each of the **PARTIES** hereto represents and warrants to the other **PARTY** that (i) it has all requisite power and authority to execute and deliver, to perform its obligations under and to consummate the transactions contemplated by this Agreement and (ii) the execution and delivery of this Agreement, the performance of its obligations under and the consummation by each **PARTY** of the transactions contemplated by this Agreement have been duly authorized by all requisite corporate authority on the part of Company and by all requisite governmental authority on the part of the City and (iii) upon execution and delivery of this Agreement, this Agreement will constitute valid and binding legal obligations of such **PARTY**.

**XVI. EFFECTIVE DATE**

16.1. This Agreement may be executed in counterparts and the effective date of the Agreement shall be the date the Mayor actually executes this Agreement subject to the City's authorization by Ordinance and any terms or conditions associated therewith.

## **XVII. MISCELLANEOUS**

17.1. Further Assurances: In the event any further documentation or information is required for this Agreement to be valid, then the **PARTIES** to this agreement shall provide or cause to be provided such documentation or information. The **PARTIES** shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this Agreement provided however that the **PARTIES** shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the **PARTIES**. The **PARTIES** further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this Agreement; provided, however that the **PARTIES** shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the **PARTIES**.

17.2. Recordation: The City agrees to record a certified copy of this Agreement in the Deed Records of Galveston County, Texas.

17.3. Governing Law; Venue: This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Galveston County, Texas.

17.4. Modification: This Agreement shall be subject to change, modification or, except in the event of default which has not been cured as provided herein, termination, only with the mutual written consent of the City and Company unless otherwise specifically provided for herein, or as otherwise provided in Article 5 of that Chapter 380 Agreement executed contemporaneously herewith.

17.5. Disclaimer: Nothing herein shall confer upon any person, firm or other entity other than the **PARTIES** hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the **PARTIES** hereto shall be binding upon their respective successors and assigns.

17.6. Waivers: Waiver of any term, condition or provision of this Agreement by any **PARTY** shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

17.7. Approvals or Consents: Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate **PARTY** or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a **PARTY**. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

17.8. Parties in Interest: This Agreement shall be for the sole and exclusive benefit of the **PARTIES** hereto and shall not be construed to confer any rights upon any third parties.

17.9. Merger: This Agreement and its incorporated Exhibits contains all of the terms and conditions of the understanding of the **PARTIES** relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the **PARTIES** and others relating hereto and relating to the subject matter hereof are superseded by this Agreement.

17.10. Authorization: Each of the **PARTIES** represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such **PARTY**.

17.11. Severability: If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the **PARTIES**, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not

in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the **PARTIES** hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to affect the original intent of the **PARTIES** as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Article XVII, Section 11 (17.11), the term “Law” shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

17.12. Payment of Expenses: Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the **PARTIES** shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the **PARTIES** in connection with this Agreement, the prevailing **PARTY** in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all reasonable and necessary attorneys’ fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing **PARTY** to the extent allowed by law.

17.13. Force Majeure: In the event either **PARTY** is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such **PARTY**, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the **PARTY** whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other **PARTY**. Such cause, as far as possible, shall be remedied

with all reasonable diligence. Notwithstanding the foregoing, in no event shall this Agreement exceed a period of ten (10) years in accordance with state law.

17.14. Interpretation: When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words “include,” “includes” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase “but not limited to” words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the **PARTIES** and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each **PARTY** and shall not be construed for or against any **PARTY**.

17.15. Consent to Suit: Nothing in this Agreement shall be construed as express or implied consent by the City to being sued.

17.16. Counterparts: This complete Agreement has been executed by the **PARTIES** in multiple originals, each having full force and effect.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

**GULF COAST AMMONIA, LLC**  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
(Date)

**ATTEST:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name and Title)

**ACKNOWLEDGMENT**

STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

Before me, the undersigned authority on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ of Gulf Coast Ammonia, LLC, the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said Delaware limited liability company.

Given under my hand and seal of office this the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My commission expires: \_\_\_\_\_

**EASTMAN CHEMICAL TEXAS CITY, INC.**  
a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
(Date)

**ATTEST:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name and Title)

**ACKNOWLEDGMENT**

STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

Before me, the undersigned authority on this day personally appeared \_\_\_\_\_, \_\_\_\_\_ of Eastman Chemical Texas City, Inc., the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said (state in which incorporated) corporation.

Given under my hand and seal of office this the \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My commission expires: \_\_\_\_\_

**CITY OF TEXAS CITY**

By: \_\_\_\_\_

Matthew T. Doyle  
Mayor

\_\_\_\_\_  
(Date)

**ATTEST:**

\_\_\_\_\_  
James Hartshorn, City Secretary

**ACKNOWLEDGMENT**

STATE OF TEXAS

§

COUNTY OF GALVESTON

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Before me, the undersigned authority on this day personally appeared Matthew T. Doyle of the City of Texas City, Texas, a home rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said municipality.

Given under my hand and seal of office this the \_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My commission expires: \_\_\_\_\_

## **SCHEDULE OF EXHIBITS**

- Exhibit "A" – Ordinance 17-16 (Reinvestment Zone Ordinance)  
Ordinance 17-32 (Ordinance Amending Reinvestment Zone)
- Exhibit "B" – Gulf Coast Ammonia, LLC Tax Abatement Application
- Exhibit "C" – Resolution 17-083 (Abatement Resolution)
- Exhibit "D" – Resolution 17-002 (Tax Abatement Guidelines & Criteria)
- Exhibit "E" – Resolution 17-084 (Chapter 380 Resolution)
- Exhibit "F" – Chapter 380 Economic Development and Performance Agreement

**CITY COMMISSION REGULAR MTG**

**(6) (c)**

**Meeting Date:** 12/06/2017

**Submitted By:** Rhomari Jackson-Glover, City Secretary

**Department:** City Secretary

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**Information**

**ACTION REQUEST (Brief Summary)**

Consider and take action on Resolution 17-084, to approve a Chapter 380 Economic Development and Performance Agreement for Property Located in the Texas City Gulf Coast Reinvestment Zone No. 1. (Management Services)

**BACKGROUND**

As described in the previous agenda item, Gulf Coast Ammonia plans on constructing a facility valued between \$450,000,000 and \$800,000,000 at Eastman Chemical. In order to obtain a tax abatement, the company agrees to pay the city roughly and equivalent of 40% in this Chapter 380 agreement in what is known as Payment in Lieu of Taxes. Both the City and Gulf Coast Ammonia sees benefits from this arrangement. The Chapter 380 coincides time wise with the Tax Abatement - 10 years starting in 2021. See Attachments for more details.

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

Resolution 17-084

Staff Report

Chapt 380 Agreement

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**RESOLUTION NO. 17-084**

**A RESOLUTION OF THE CITY OF TEXAS CTY, TEXAS, ESTABLISHING AN ECONOMIC DEVELOPMENT PROGRAM FOR THE PURPOSE OF ENCOURAGING THE DEVELOPMENT OF PRIMARY EMPLOYMENT AND ATTRACTING MAJOR ECONOMIC INVESTMENT TO THE CITY; APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT BETWEEN THE CITY OF TEXAS CITY, TEXAS, AND GULF COAST AMMONIA, LLC AND AUTHORIZING THE MAYOR TO EXECUTE THE CHAPTER 380 AGREEMENT; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.**

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**WHEREAS**, the City of Texas City, Texas (“City”) desires to establish economic development programs in accordance with the authority granted to municipalities pursuant to Chapter 380 of the Local Government Code; and

**WHEREAS**, the City recognizes the positive economic impact the Gulf Coast Ammonia project will have on the community and therefore has adopted Resolution No. 17-083 granting Gulf Coast Ammonia, LLC’s request for tax abatement relief, approved a Chapter 312 Tax Abatement Agreement, and authorized the Mayor to execute same for the purpose of encouraging the development of primary employment and attracting major economic development and expansion of development pursuant to the City’s current tax abatement guidelines and criteria; and

**WHEREAS**, the City’s current tax abatement guidelines and criteria represent an economic development program as contemplated by Chapter 380 of the Texas Local Government Code which authorizes the City to accept monetary contributions, gifts and other resources to develop and administer its economic development program; and

**WHEREAS**, in exchange for the City’s grant of its request for tax abatement relief pursuant to the City’s current tax abatement criteria, which constitutes part of the City’s economic development program that creates new jobs, increases sales and use tax revenues, and increases property values and ad valorem taxes within the City, Gulf Coast Ammonia, LLC desires to make annual monetary contributions to the City in lieu of its *ad valorem* tax obligations to the City pursuant to the proposed Chapter 380 Economic Development and Performance Agreement, which is incorporated herein by reference, so as to mitigate the impact of its development and expansion of development on the City’s infrastructure, transportation and other municipal services;

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:**

**SECTION 1:** All of the recitals stated above and in the proposed Chapter 380 Economic Development and Performance Agreement are found to be true and correct and are incorporated herein.

**SECTION 2:** The City Commission of the City of Texas City hereby approves the Chapter 380 Economic Development and Performance Agreement as proposed.

**SECTION 3:** The City Commission of the City of Texas City hereby authorizes the Mayor to execute the proposed Chapter 380 Economic Development and Performance Agreement with Gulf Coast Ammonia, LLC in substantially the same form as attached hereto and made a part hereof for all intents and purposes. However, the City Commission's approval of the Chapter 380 Economic Development and Performance Agreement and authorization is specifically subject to the Texas City Independent School District Board of Trustees authorizing the execution of, and the actual execution of, a Chapter 313 Property Value Limitation Agreement for the Gulf Coast Ammonia project also made the basis of the City's Chapter 312 Tax Abatement Agreement authorized by Resolution 17-083.

**SECTION 4:** If any section, sentence, clause or phrase of this Resolution should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Resolution and the City Commission declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional.

**SECTION 5:** That this Resolution shall be in full force and effect from and after its passage and adoption.

**PASSED AND ADOPTED this 6th day of December 2017.**

\_\_\_\_\_  
Matthew T. Doyle, Mayor  
City of Texas City, Texas

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
James Hartshorn  
City Secretary

\_\_\_\_\_  
Russell F. Plackemeier  
City Attorney

## STAFF REPORT

**TO:** Mayor Matthew T. Doyle  
City Commissioners

**RE:** Project Jupiter  
Approval of Chapter 380 Economic Development and Performance Agreement

**MATTER:** 4003.3-2017

**DATE:** November 29, 2017

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### CONSIDERATION AND APPROVAL OF PROPOSED CHAPTER 380 ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT

#### ACTION REQUEST:

(7)(b) Consider and take action on Resolution 17-084 to approve a Chapter 380 Economic Development and Performance Agreement Between the City of Texas City, Texas, and Gulf Coast Ammonia, LLC and authorize the Mayor to execute the Agreement and all other related documents.

#### BACKGROUND:

Gulf Coast Ammonia, LLC ("GCA") submitted an Application for Tax Abatement to the City on or about Jan. 5, 2017. In conjunction with the proposed Chapter 312 Tax Abatement Agreement which grants GCA a 10-year, 100 percent tax abatement, GCA has agreed to make payments to the City in lieu of what would otherwise be its regular tax payments based on the value of its project (aka "PILOT" payments). During the term of the tax abatement, the appraisal district will continue to value the property and improvements thereon. For appraised values \$800M or less, GCA will pay to the City \$750k per year due on or before the date by which its tax would usually be due. For appraised values exceeding \$800M, GCA will pay to the City \$1M the year the value exceeds \$800M and every year thereafter for the term of the abatement.

The PILOT payment approach is made possible through the use of Chapter 380 of the Texas Local Government Code which allows cities to receive charitable contributions, gifts, etc. from economic development partners.

The Chapter 380 Agreement and the Chapter 312 Tax Abatement Agreement run contemporaneously with one another. Moreover, GCA's default in one, triggers the default of the other.

At the end of the abatement / Chapter 380 period, GCA's PILOT payments will cease and taxes will be based on the appraised value of the Project.

**ANALYSIS:**

N/A

**CHAPTER 380 ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT  
FOR PROPERTY LOCATED**

**IN THE TEXAS CITY GULF COAST REINVESTMENT ZONE NO. 1**

STATE OF TEXAS	§	
	§	CITY OF TEXAS CITY, TEXAS
COUNTY OF GALVESTON	§	

This Chapter 380 Economic Development Agreement (hereinafter referred to as “the Agreement”) is made, entered, and executed between **CITY OF TEXAS CITY, TEXAS**, acting through its City Commission (“City”), and **GULF COAST AMMONIA, LLC**, a Delaware limited liability company (“Company”), the lessor of taxable real property in Texas City, Galveston County, Texas and the owner of other taxable property located in the **TEXAS CITY GULF COAST REINVESTMENT ZONE NO. 1** (“Reinvestment Zone”). The **CITY** and **COMPANY** are sometimes singularly referred to herein as a “Party” and jointly referred to herein as the “Parties.”

**RECITALS**

WHEREAS, Article 3, Section 52A, Texas Constitution, authorizes the Legislature to enable cities and counties to implement programs for the public purposes of economic development under which cities and counties may provide financial incentives for the purposes of stimulating local economic development and business and commercial activity in the City; and

WHEREAS, Section 380.001, Texas Local Government Code, authorizes the City Commission of the City to establish and provide for the administration of one or more programs in order to stimulate business and commercial activity in the City including, but not limited to, programs for (i) making loans and grants of public money to promote local economic development, (ii) accepting contributions, gifts and other resources to develop and administer a program; and

WHEREAS, the City has established an economic development program for the purposes of creation and retention of jobs for the citizens of the City and region, to promote economic expansion, and to add to the tax base of the City; and

WHEREAS, the City wishes to encourage Company to select Texas City, Texas as the site for its proposed expansion in the Texas Gulf Coast region; and

WHEREAS, the Company’s proposed expansion will result in new economic development in the City, including creating new jobs, increasing sales and use tax revenues for the City and increasing property values and ad valorem taxes within the City; and

WHEREAS, the Company's proposed expansion will have a direct positive and measurable economic benefit to the City; and

WHEREAS, the City recognizes the positive economic impact the Company's proposed expansion will have on the City and wishes to provide incentives to the Company to assist in the proposed expansion, thereby contributing toward the further economic development and growth of the City; and

WHEREAS, the City finds that this Agreement embodies an eligible "program" and clearly promotes economic development in Texas City, Texas, and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and further is in the best interests of the City.

NOW, THEREFORE, for the mutual consideration set out below, the Parties hereto agree as follows:

## **ARTICLE 1.**

### **AUTHORITY, TERM, DEFINITIONS AND CONDITIONS PRECEDENT**

1.1. **Authority.** The City's execution and performance of this Agreement is authorized by Section 380.001, Texas Local Government Code, by the City's Chapter 380 Economic Development Policy which includes but it not limited to the City's Guidelines and Criteria for tax abatement established by Resolution No. 17-002, and constitutes the valid and binding obligation of the City from and after execution hereof by all Parties. Company's execution and performance of this AGREEMENT has been duly authorized and constitutes the valid and binding obligation of Company from and after execution hereof by all Parties.

1.2. **Term.** This Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to the provisions of this Agreement, shall terminate thirty (30) days after Company tenders the last Chapter 380 Payment due under this Agreement to the City.

1.3. **Definitions.** Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

- a. **"Act"** means Chapter 380 of the Texas Local Government Code, as amended.
- b. **"Affiliate"** of any person or entity identified in this Agreement means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition, "control" when used with respect to any person or entity in conjunction with the

term “affiliate” means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing “control as herein defined.

- c. **“Application”** shall mean that application for tax abatement and submitted by Company to the City on January 5, 2017, along with any supplements or amendments thereto with respect to the Project.
- d. **“Capital Expenditures”** shall mean all capital improvement expenses incurred in conjunction with a Municipal Purpose including, but not limited to, design engineering, geotechnical engineering, subsurface utility engineering, environmental studies, land acquisition, surveying, construction, inspection, procurement services, project management, materials (incorporated or otherwise), leased equipment (with or without operator), labor (skilled and unskilled) and services.
- e. **“Chapter 380 Payment”** shall mean one or more payments made by Company to the City as a monetary contribution of financial resources to the City in accordance with the Chapter 380 Payment Schedule with such payments to be applied toward one or more Municipal Purposes as contemplated by this Agreement.
- f. **“Effective Date”** shall mean the date this Agreement is executed by the last Party to execute this Agreement.
- g. **“Force Majeure”** means an event or occurrence caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over Company or the Project; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court having competent jurisdiction; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, sinkholes, evacuation due to threats of sinkholes, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor

disputes (it being understood that nothing contained in this Agreement shall require Company to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of Company to ship or failure of carriers to transport electricity from Company's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which Company has no reasonable control and which forbids or prevents performance.

h. **"Municipal Purpose"** shall mean or otherwise include one or more of the following:

- i. The funding of maintenance and operations expenditures of the City; and
- ii. The funding of any debt service requirements of the City; and
- iii. The funding of any economic development grants and performance, incentive or tax sharing agreements related to economic development; and
- iv. Any capital improvement project or other lawful purpose that the City otherwise determines is necessary and appropriate.

i. **"Program"** means the economic development program established in accordance with the Chapter 380 Economic Development Policy pursuant to the Act designed to promote local economic development and stimulate business and commercial activity within the City.

j. **"Project"** means Company's planned construction of substantial improvements to real property within the City as reflected in the Application and Article VIII of the Tax Abatement Agreement.

k. **"Tax Abatement Agreement"** shall mean the Chapter 312 Tax Abatement Agreement authorized by Resolution No. 17-083 and entered into by and between the City and Company executed in

conjunction with this Agreement, a copy of which is incorporated by reference herein.

Capitalized terms used in this Agreement and not defined above in this Section 1.3 or otherwise in this Agreement shall have the meaning set forth in the Tax Abatement Agreement.

1.4. **Conditions Precedent.** The City and Company agree that that as a condition of the Tax Abatement Agreement executed contemporaneously herewith, Company shall tender the Chapter 380 Payments to the City as described in Article 2 below.

## **ARTICLE 2.**

### **CHAPTER 380 PAYMENTS**

2.1. **Chapter 380 Payments in Lieu of Taxes.** Company shall make Chapter 380 Payments in lieu of paying taxes to the City as set forth in this Section 2.1. The Chapter 380 Payments shall commence for the tax year 2020 and continue through the tax year 2029, and shall be payable no later than January 31<sup>st</sup> of the year following the applicable tax year. For so long as the appraised value of the Project for any tax year is less than \$800 million, the Chapter 380 Payment amount shall be \$750,0000. If the appraised value of the Project for any tax year equals or exceeds \$800 million, the Chapter 380 Payment for such tax year and all subsequent tax years of the Abatement Period shall be \$1 million irrespective of the appraised value of the Project for any such subsequent tax year of the Abatement Period. Notwithstanding the foregoing, Company may offset the annual Chapter 380 Payment amount due in a tax year by the amount of the ad valorem tax Company paid on tangible personal property of the Project that is not abated in the same tax year the Chapter 380 Payment is otherwise due.

2.2. **Use of Chapter 380 Payments.** The City shall apply the Chapter 380 Payments received pursuant to Section 2.1 hereof toward any Municipal Purpose as that term is defined herein.

## **ARTICLE 3.**

### **REPRESENTATIONS AND WARRANTIES**

3.1. The City represents to Company that it has the authority to establish the Program and enter into this Agreement and the Tax Abatement Agreement and that it is duly authorized and empowered to establish the Program and enter into this Agreement and the Tax Abatement Agreement. The City further represents to Company that the execution, delivery and performance by City and Company under this Agreement will not (a) contravene any law or any order, writ, decree or injunction of any governmental authority, specifically including the Texas City Code of Ordinances and the provisions of

the Texas Constitution and statutes governing the City, (b) conflict with, or result in a breach of any term, covenant, condition or provision of, or constitute a default under the terms of any agreement or instruments to which it is a party or by which it or any of its properties is bound, or (c) violate any provision of the organizational documents of City, the Texas City Code of Ordinances, the Texas Constitution, or Texas statutes governing the City; such that in the cases of either of clauses (a), (b), or (c), cause either the City or Company to fail to comply with their respective obligations or receive the benefits under this Agreement or the Tax Abatement Agreement.

#### **ARTICLE 4.**

##### **LIABILITY**

4.1. By this Agreement, Company assumes no obligation, duty or other responsibility with regard to any government function or service for which the City is responsible that is not otherwise addressed by this Agreement. In addition, Company assumes no legal liability for the actions of the City through the execution of this Agreement. Except as otherwise provided in the Tax Abatement Agreement, the City assumes no obligation, duty or other responsibility with regard to any duty, right, obligation and/or responsibility associated with the Project for which Company is responsible and made the subject of the Application and the Tax Abatement Agreement. In addition, the City assumes no legal liability for the actions of Company or its successors or assigns by virtue of its execution of this Agreement.

4.2. Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents or trustees of the other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents or trustees.

#### **ARTICLE 5.**

##### **DEFAULT AND TERMINATION**

5.1. As the City's sole and exclusive remedy upon the occurrence of either of the following events (each, an "Event of Default") by Company:

- (a) fails to comply with any of the terms of the Chapter 312 Tax Abatement Agreement executed in conjunction herewith, or
- (b) the City does not receive the Chapter 380 Payments as, and in accordance with Section 2.1; or
- (c) the Company breaches in an material respect any representation given in this Agreement; then

City may terminate the Tax Abatement Agreement and this Agreement by providing sixty (60) days' prior written notice to Company; provided, however, that the Tax

Abatement Agreement and this Agreement shall not terminate if Company cures the Event of Default set forth in such notice prior to the end of such sixty (60) day period.

5.2. In the event City terminates the Tax Abatement Agreement and this Agreement pursuant to this Article 5, the City shall refund within thirty (30) days of the date of such termination any Chapter 380 Payment received by City for the tax year in which the Event of Default occurred; *provided*, that if the Tax Abatement Agreement and this Agreement are terminated prior to the date that the Chapter 380 Payment is due for such tax year, Company shall have no obligation to make any Chapter 380 Payment to City for such tax year. City shall have no other remedy for an Event of Default by Company other than the termination of the Tax Abatement Agreement and this Agreement as described in this Article 5.

## **ARTICLE 6.**

### **NOTICES**

6.1. Any notice given under this Agreement must be in writing and may be given (i) by depositing it in the United States mail, registered or certified, with return receipt requested, addressed to the Party to be notified at the address set forth below, or at the last address for notice that the sending Party has for the receiving Party at the time of mailing, and with all charges prepaid; (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement; or (iv) by facsimile with confirming copy sent by one of the other described methods for notice set forth in this sentence. Notice by United States mail as provided in (i) will be deemed delivered, whether or not actually received, three (3) days after the date of mailing. Payments to the City shall be made by check at the address set forth below (without copies), unless timely notice of change of address is given to Company in writing within thirty (30) days prior to the Chapter 380 Final Payment Date. For purposes of this Article 6, the addresses of the Parties will, until changed as provided below, be as follows:

#### **To Company:**

GULF COAST AMMONIA, LLC  
1815 PURDY AVENUE  
MIAMI BEACH, FL 33139

ATTN: MR. HAMZA SLIMANI

WITH A COPY TO:

VINSON & ELKINS LLP  
1001 FANNIN STREET, SUITE 2500  
HOUSTON, TX 77002

ATTN: ALBERTO P. CARDENAS, JR.

**To the City:**

CITY OF TEXAS CITY  
JAMES HARTSHORN, CITY SECRETARY  
1801 9<sup>TH</sup> AVENUE N  
TEXAS CITY, TX 77590

WITH A COPY TO:

RUSSELL PLACKEMEIER  
PO DRAWER 2789  
TEXAS CITY, TEXAS 77590

6.2. Either Party may designate a different address by giving the other Party ten (10) days written notice.

**ARTICLE 7.**

**DISCLAIMER**

7.1. Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

7.2. Company may assign this Agreement to an Affiliate provided that (i) such assignment is in conjunction with the Chapter 312 Tax Abatement Agreement executed in conjunction herewith, and (ii) Company provides written notice of such assignment to the City. Except as otherwise provided in the immediately preceding sentence, no rights, duties, obligations, interest or options of a Party under this Agreement may be assigned or otherwise made available to a third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned.

## **ARTICLE 8.**

### **SEVERABILITY AND SURVIVAL OF AGREEMENT**

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to affect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Article 8 the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

## **ARTICLE 9.**

### **GOVERNING LAW; IMMUNITY; CONSENT TO SUIT**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. It is further understood and agreed that any dispute arising out of or related to this Agreement shall be resolved in a the State District Court of Galveston County, Texas. Nothing in this Agreement shall constitute a waiver by the City of its governmental or sovereign immunity rights. Nothing in this Agreement shall be construed as express or implied consent of the City to being sued.

## **ARTICLE 10.**

### **MISCELLANEOUS PROVISIONS**

10.1. **Further Assurances.** In the event any further documentation or information is required for this agreement to be valid, then the Parties to this agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this Agreement provided however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to

comply with any requirements to enable the full effect of this Agreement; provided, however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

10.2. **Modification**. This Agreement shall be subject to change, modification or, except in the event of default which has not been cured as provided herein, termination, only with the mutual written consent of the City and Company.

10.3. **Disclaimer**. Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

10.4. **Waivers**. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

10.5. **Approvals or Consents**. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

10.6. **Parties in Interest**. This Agreement shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third parties.

10.7. **Attorney's Fees**. In the event it becomes necessary for either Party to file a suit to enforce this Agreement or any provisions of this Agreement, the Party prevailing in such action shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs incurred by such prevailing Party in such suit.

10.8. **Merger**. The terms contained in this Agreement and the documents incorporated by reference herein represent the final agreement among the Parties with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties with respect to the subject matter hereof. The Parties agree that in entering into this Agreement they have not relied upon any representation other than those contained in this Agreement. The Parties agree that they have read this Agreement, sought the advice of counsel, understand the terms of this Agreement and have executed this Agreement voluntarily.

10.9. **Force Majeure**. In the event either Party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such Party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence.

10.10. **Interpretation**. When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words “include,” “includes” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase “but not limited to” words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

10.11. **Conflict between Agreements**. In the event of a conflict between any of the provisions of this Agreement, on the one hand, and any of the provisions of the Tax Abatement Agreement, on the other hand, the provisions of the Tax Abatement Agreement shall control, to the extent allowed by law.

10.12. **Counterparts**. This complete Agreement has been executed by the Parties in multiple originals, each having full force and effect.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**



**CITY OF TEXAS CITY**

By: \_\_\_\_\_

Matthew T. Doyle  
Mayor

\_\_\_\_\_  
(Date)

**ATTEST:**

\_\_\_\_\_  
James Hartshorn, City Secretary

**ACKNOWLEDGMENT**

STATE OF TEXAS

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§

COUNTY OF GALVESTON

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Before me, the undersigned authority on this day personally appeared Matthew T. Doyle of the City of Texas City, Texas, a home rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said municipality.

Given under my hand and seal of office this the \_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Notary Public in and for the State of Texas

My commission expires: \_\_\_\_\_

**CITY COMMISSION REGULAR MTG**

**(6) (d)**

**Meeting Date:** 12/06/2017

**Submitted By:** Rhomari Jackson-Glover, City Secretary

**Department:** Emergency Management

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**Information**

**ACTION REQUEST (Brief Summary)**

Consider and take action on Resolution No. 17-085, to approve the purchase of a camera through CDW Government, LLC using a grant provided by the Houston-Galveston Area Council (H-GAC). (Homeland Security)

**BACKGROUND**

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

Res. 17-085

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**RESOLUTION NO. 17-085**

**A RESOLUTION ACCEPTING THE OFFICE OF THE GOVERNOR – HOMELAND SECURITY GRANT DIVISION (HSGD) #3397701 GRANT IN THE AMOUNT OF \$70,752.52 FOR LAW ENFORCEMENT PORTABLE VIDEO SURVEILLANCE; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.**

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**WHEREAS**, the Office of the Governor - Homeland Security Grant Division (HSGD) provides aid in the achievement of target capabilities related to terrorism preparedness and enhanced preparedness for other hazards unrelated to acts of terrorism.

**WHEREAS**, the Texas City Emergency Management Department applied for such funding, and the Office of the Governor - Homeland Security Grant Division (HSGD) has agreed to a grant in the amount of \$70,752.52 for the purchase of a wireless remote monitoring camera system.

**WHEREAS**, the Emergency Management Department plans to buy the wireless remote monitoring camera system from CDW-Government, LLC.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:**

**SECTION 1:** That the City Commission of the City of Texas City hereby approves the acceptance of the Office of the Governor- Homeland Security Grant Division (HSGD) #3397701 grant in the amount of \$70,752.52.

**SECTION 2:** That the Emergency Management Department will use the grant funds to purchase a Long Deployment Surveillance Trailer Network Camera-Bundle 4 –Part # MVT-3001.BUN4.

**SECTION 3:** That the Mayor is authorized to execute said agreement.

**SECTION 4:** That this Resolution shall be in full force and effect from and after its passage and adoption.

**PASSED AND ADOPTED this 6th day of December, 2017.**

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Matthew T. Doyle, Mayor  
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

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James M. Hartshorn  
City Secretary

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Russell F. Plackemeier  
City Attorney

**CITY COMMISSION REGULAR MTG**

**(6) (e)**

**Meeting Date:** 12/06/2017

Bid # 2018-038 Janitorial Services Annual Contract

**Submitted For:** Debbie Gurka, Administration

**Submitted By:** Debbie Gurka,  
Administration

**Department:** Purchasing

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**Information**

**ACTION REQUEST (Brief Summary)**

Consider and take action on Resolution No. 17- 086, to approve and award Bid #2018-038 for the Janitorial Services Annual Contract.

**BACKGROUND**

On October 25, 2017 twelve (12) bid packets were mailed to area vendors. A bid tabulation is attached for your review.

Bid opened on Tuesday, November 28, 2017 at 2:00 p.m.

**ANALYSIS**

Out of the three (3) bids received the responsible bid meeting all specifications and bid requirements was received from McLemore Building Maintenance, in Houston Texas, for the unit prices bid.

It is my recommendation to award the Janitorial Services Annual Contract to McLemore Building Maintenance, for the unit prices bid, and the Mayor is authorized to execute a contract on behalf of the City Commission.

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

Reso 17-086  
2018-038 Bid Tabulation  
Agreement and Bid Form

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**RESOLUTION NO. 17-086**

**A RESOLUTION AWARDING A BID AND AUTHORIZING THE MAYOR TO ENTER INTO ANNUAL CONTRACT WITH MCLEMORE BUILDING MAINTENANCE FOR JANITORIAL SERVICES BID # 2018-038; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.**

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**WHEREAS**, on October 25, 2017, 12 bid packets were mailed to area vendors for Janitorial Services Annual Contract, Bid # 2018-038; and

**WHEREAS**, the lowest responsible bid meeting all specifications and bid requirements was received from McLemore Building Maintenance, Houston, Texas, for the unit prices bid.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:**

**SECTION 1:** That the successful bidder for the annual contract for the janitorial services for all specifications was received from McLemore Building Maintenance for the unit prices bid.

**SECTION 2:** That the Mayor is hereby authorized to enter into an annual contract with McLemore Building Maintenance as set out on Exhibit "A" attached hereto and made a part hereof for all intent and purposes.

**SECTION 3:** That this Resolution shall be in full force and effect from and after its passage and adoption.

**PASSED AND ADOPTED this 6th day of December 2017.**

\_\_\_\_\_  
Matthew T. Doyle, Mayor  
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
James Hartshorn  
City Secretary

\_\_\_\_\_  
Russell F. Plackemeier  
City Attorney

Bid Tabulation for Bid# 2018-038 Janitorial Services

	<b>McLemore Building Maintenance, Inc.</b>		<b>Oriental Building Services, Inc.</b>		<b>C&amp;S Janitorial Services</b>	
City Hall	Monthly	1,042.23	Monthly	1,604.05	Monthly	995.00
	Yearly	12,507.91	Yearly	19,788.55	Yearly	11,940.00
Criminal Justice	Monthly	872.23	Monthly	3,379.46	Monthly	2,095.00
	Yearly	10,466.76	Yearly	40,553.50	Yearly	25,140.00
Moore Memorial	Monthly	1438.15	Monthly	2,437.59	Monthly	1,650.00
	Yearly	17,257.80	Yearly	29,253.42	Yearly	19,800.00
Fire Administration	Monthly	368.02	Monthly	923.08	Monthly	650.00
	Yearly	4,416.25	Yearly	11,076.94	Yearly	7,800.00
Texas City Museum	Monthly	549.75	Monthly	798.75	Monthly	350.00
	Yearly	6,597.00	Yearly	9,585.00	Yearly	4,200.00
Heritage Square Homes (4 Homes)	Monthly	454.72	Monthly	761.50	Monthly	165.00
	Yearly	5,456.60	Yearly	9,137.96	Yearly	1,980.00
Public Works Building	Monthly	435.40	Monthly	477.97	Monthly	295.00
	Yearly	5,224.80	Yearly	5,735.66	Yearly	3,540.00
City Hall Annex Building	Monthly	307.86	Monthly	611.31	Monthly	395.00
	Yearly	3,694.32	Yearly	7,335.72	Yearly	4,740.00
Sanitation Service Center	Monthly	197.91	Monthly	207.68	Monthly	195.00
	Yearly	2,374.92	Yearly	2,492.10	Yearly	2,340.00
Utilities / Fleet Service Hwy	Monthly	307.86	Monthly	862.65	Monthly	750.00
	Yearly	3,694.32	Yearly	10,351.80	Yearly	9,000.00
North Service Center	Monthly	69.64	Monthly	639.50	Monthly	165.00
	Yearly	835.68	Yearly	7,668.00	Yearly	1,980.00
<b>Total Bid</b>	Monthly	6,043.86	Monthly	12,748.22	Monthly	7,705.00
	<b>Yearly</b>	<b>72,526.36</b>	<b>Yearly</b>	<b>152,978.65</b>	<b>Yearly</b>	<b>92,460.00</b>

## **STANDARD FORM AGREEMENT**

STATE OF TEXAS §

COUNTY OF GALVESTON §

THIS AGREEMENT MADE AND ENTERED INTO THIS 6<sup>th</sup> DAY OF DECEMBER A. D., 2017, by and between the CITY OF TEXAS CITY (OWNER), a municipality in Galveston County, Texas, and MCLEMORE BUILDING MAINTENANCE, INC. (CONTRACTOR), of the City of Houston, County of Harris, and the State of Texas.

### **DESCRIPTION**

WITNESSETH: In consideration of the payments and agreements hereinafter mentioned, to be made and performed by OWNER, CONTRACTOR agrees to provide services described as follows:

#### **BID #2018-038 ANNUAL CONTRACT FOR JANITORIAL SERVICES**

The CONTRACTOR agrees to provide all superintendence, labor, insurance and other accessories required to provide Janitorial Services as scheduled for the fixed unit prices bid, in complete accordance with the OWNER'S specifications, conditions and prices stated in the Bid Form dated November 27, 2017.

### **AGREEMENT**

This Agreement shall consist of the Standard Form Agreement, Notice to Bidders, Instructions to Bidders, Special Conditions, Specifications, Cleaning Performance Definitions and Standards, Cleaning Frequency Schedule, Scope of Services, Floor Plans and the Bid Form. These items shall form the Agreement and are as fully a part of the Agreement as if attached to the Agreement.

In compliance with the Parole Evidence Rule, this contract represents the entire and integrated agreement between the OWNER and the CONTRACTOR and supersedes all prior negotiations, representations or agreements, whether written or oral.

The CONTRACTOR agrees to provide Janitorial Services as scheduled to the OWNER, for the fixed unit prices bid as listed on the Bid Form, for the duration of the contract.

**TERM**

The CONTRACTOR shall provide service on an "as needed" basis for a twelve (12) month period beginning January 1, 2018 and continuing through December 31, 2019.

The OWNER will have the option to extend the contract for four (4) additional one (1) year periods of this contract as long as the prices and quality of services remains the same.

**PAYMENT**

The OWNER agrees to make payments in the full amount of the invoice within thirty (30) days following receipt of an invoice.

The amounts to be paid are based on the CONTRACTOR'S Bid Form attached hereto and subject to the conditions which are described in the contract documents.

In WITNESS THEREOF, the parties of these presents have executed this agreement in triplicate in the year and day first above written.

**MCLEMORE BUILDING MAINTENANCE**  
**CONTRACTOR**

**CITY OF TEXAS CITY**  
**OWNER**

\_\_\_\_\_  
Curtis McLemore  
CEO

\_\_\_\_\_  
Matthew T. Doyle  
MAYOR

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

SEAL

SEAL

ATTEST: \_\_\_\_\_

ATTEST: \_\_\_\_\_

Laura Boyd  
Director of Finance



- (b) Contractor has familiarized itself with the nature and extent of the Contract Documents, work, site, locality, and all local conditions and Laws and Regulations that in any manner affect cost, progress, performance, or furnishing of the work.
- (c) Contractor has given Owner written notice of all conflicts, errors, or discrepancies that it has discovered in the Contract Documents and the written resolution thereof by the Owner is acceptable to Contractor.
- (d) This bid is genuine and not made in the interest of or on behalf of any disclosed person, firm, or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization, or corporation; Contractor has not directly or indirectly induced or solicited any other Contractor to submit a false or sham Bid; Contractor has not solicited or induced any person, firm, or corporation to refrain from bidding; and Contractor has not sought by collusion to obtain for itself any advantage over any other Contractor or over the Owner.

4. It is understood that the City reserves the right to reject any and all bids and to waive any informality in bids received.

5. Communications concerning this bid shall be addressed to:

Name: Daniel Guerra/McLemore Building Maintenance, Inc.

Address: 110 Fargo Street  
Houston TX 77006

Telephone: 713.528.7775 Fax: 713.523.4341

Other: \_\_\_\_\_

Contractor McLemore Building Maintenance, Inc. Date November 27, 2017

6. Contractor will complete the specified work for the following unit prices, for the duration of the contract term:

FACILITY	UNIT PRICE (Cost per month)	UNIT PRICE In Words	EXTENSION (Unit Price x 12 months)
CITY HALL	\$ <u>1,042.33</u>	<u>One Thousand Forty-two</u> Dollars <u>thirty-three</u> Cents	\$ <u>12,507.91</u>
CRIMINAL JUSTICE CENTER	\$ <u>872.23</u>	<u>Eight Hundred Seventy-two</u> Dollars <u>twenty-three</u> Cents	\$ <u>10,466.76</u>
MOORE MEMORIAL LIBRARY	\$ <u>1,438.15</u>	<u>One Thousand Four Hundred Thirty-eight</u> Dollars <u>fifteen</u> Cents	\$ <u>17,257.80</u>
FIRE ADMIN BLDG	\$ <u>368.02</u>	<u>Three Hundred Sixty-eight</u> Dollars <u>two</u> Cents	\$ <u>4,416.25</u>
TEXAS CITY MUSEUM	\$ <u>549.75</u>	<u>Five Hundred Forty-nine</u> Dollars <u>seventy-five</u> Cents	\$ <u>6,597.00</u>

Contractor McLemore Building Maintenance, Inc. Date November 27, 2017

FACILITY	UNIT PRICE (Cost per month)	UNIT PRICE In Words	EXTENSION (Unit Price x 12 months)
HERITAGE SQUARE HOMES	\$ <u>454.72</u>	<u>Four Hundred Fifty-four</u> Dollars <u>seventy-two</u> Cents	\$ <u>5,456.60</u>
PUBLIC WORKS	\$ <u>435.40</u>	<u>Four Hundred Thirty-five</u> Dollars <u>forty</u> Cents	\$ <u>5,224.80</u>
CITY HALL ANNEX	\$ <u>307.86</u>	<u>Three Hundred Seven</u> Dollars <u>eighty-six</u> Cents	\$ <u>3,694.32</u>
SANITATION SERVICE CENTER	\$ <u>197.91</u>	<u>One Hundred Ninety-seven</u> Dollars <u>ninety-one</u> Cents	\$ <u>2,374.92</u>
UTILITY AND FLEET SERVICE HWY 146	\$ <u>307.86</u>	<u>Three Hundred Seven</u> Dollars <u>eighty-six</u> Cents	\$ <u>3,694.32</u>
NORTH SERVICE CENTER	\$ <u>69.64</u>	<u>Sixty-nine</u> Dollars <u>sixty-four</u> Cents	\$ <u>835.68</u>
<b>TOTAL BID AMOUNT</b>	\$ <u>6,043.86</u>	<u>Six Thousand Forty-three</u> Dollars <u>eighty-six</u> Cents	\$ <u>72,526.36</u>

Contractor McLemore Building Maintenance, Inc. Date November 27, 2017

7. The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership, or individual has not prepared this bid in collusion with another Bidder, and that the contents of this bid as to prices, terms, conditions of said bid have not been communicated by the undersigned, nor by any employee or agent, to any other person engaged in this type of business prior to official opening of this bid.

Fill in applicable information:

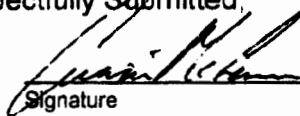
A Corporation, chartered in the State of Texas, authorized to do business in the State of Texas.

A Partnership, composed of: \_\_\_\_\_

An Individual, operating under the name of: \_\_\_\_\_

Respectfully Submitted,

BY:

  
Signature

Curtis McLemore

Typed or Printed Name

CEO

Position with Company

McLemore Building Maintenance, Inc.

Company Name

110 Fargo Street

Street Address

Houston TX 77006

City/State/Zip

Same

Mailing Address – if Different from Street Address

Same

City/State/Zip

November 27, 2017  
Date  
713.528.7775  
Phone  
713.528.7775 Ext. 6013  
Additional Phone  
713.523.4341  
Fax  
Harris  
County

**CITY COMMISSION REGULAR MTG**

**(7) (a)**

**Meeting Date:** 12/06/2017

Dispatch

**Submitted For:** Jennifer Price, Human Resources

**Submitted By:** Jennifer Price, Human Resources

**Department:** Human Resources

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**Information**

**ACTION REQUEST (Brief Summary)**

Consider and take action on Ordinance No. 17-31, to amend the City of Texas City fiscal budget to create an additional dispatcher position. (Finance)

**BACKGROUND**

This budget amendment is to create an additional police dispatcher position and appropriate funding for the position. The annual salary will be between \$53,560 and \$54,725.

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

Ord 17-31

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**ORDINANCE NO. 17-31**

**AN ORDINANCE AMENDING ORDINANCE NO. 17-26, ADOPTING THE 2017-2018 BUDGET TO APPROPRIATE FUNDS TO CREATE AN ADDITIONAL POLICE DISPATCHER POSITION AND APPROPRIATE FUNDING FOR THE POSITION; DIRECTING THE CHIEF EXECUTIVE OFFICER TO FILE OR CAUSE TO BE FILED A COPY OF THE AMENDED BUDGET IN THE OFFICE OF THE GALVESTON COUNTY CLERK; DISPENSING WITH THE REQUIREMENT FOR READING THIS ORDINANCE ON THREE (3) SEPARATE DAYS; AND PROVIDING THAT THIS ORDINANCE SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.**

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**WHEREAS**, by Ordinance No. 17-26, the City Commission of the City of Texas City, Texas, adopted its budget for Fiscal Year 2017-2018; and

**WHEREAS**, this budget amendment is to create an additional police dispatcher position and appropriate funding for the position; and,

**WHEREAS**, the annual salary will be between \$53,560.00 and \$54,725.00.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:**

**SECTION 1:** That the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

**SECTION 2:** This amendment does not result in an increase in budgeted expenditures.

**SECTION 3:** That the chief executive officer shall file or cause to be filed a copy of this budget amendment in the office of the Galveston County Clerk.

**SECTION 4:** That the Charter requirement for reading this Ordinance on three (3) separate days has been dispensed by a majority vote of all members of the City Commission.

**SECTION 5:** That this Ordinance shall be finally passed and adopted on the date of its introduction and shall become effective from and after its passage and adoption.

**PASSED AND ADOPTED this 6th day of December 2017.**

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Matthew T. Doyle, Mayor  
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

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James Hartshorn  
City Secretary

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Russell F. Plackemeier  
City Attorney

**CITY COMMISSION REGULAR MTG**

(7) (b)

**Meeting Date:** 12/06/2017

**Submitted By:** Rhomari Jackson-Glover, City Secretary

**Department:** City Secretary

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**Information**

**ACTION REQUEST (Brief Summary)**

Consider and take action on Ordinance 17-32, amending “Texas City Gulf Coast Reinvestment Zone No. 1” to more particularly define its boundaries by legal description for commercial-industrial tax abatement purposes and making certain findings of fact in accordance with Texas Tax Code Section 312.201. (Management Services)

**BACKGROUND**

In May of this year, the City of Texas City established a Tax Reinvestment Zone in the area that included Eastman Chemical and a portion of its dock. This amendment utilizes a metes and bounds description that more clearly identifies the boundaries of the zone than the map depiction utilized originally. See the attachments.

**ANALYSIS**

**ALTERNATIVES CONSIDERED**

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**Fiscal Impact**

**Attachments**

Ordinance 17-32  
TRZ Staff Report

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**ORDINANCE NO. 17-32**

**AN ORDINANCE OF THE CITY OF TEXAS CITY, TEXAS, AMENDING ORDINANCE 17-16 TO AMEND THE BOUNDARIES OF THE “TEXAS CITY GULF COAST REINVESTMENT ZONE NO. 1” PREVIOUSLY DESIGNATED FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT TO MORE PARTICULARLY DEFINE THE BOUNDARIES OF THE REINVESTMENT ZONE ACCORDING TO THE LEGAL DESCRIPTIONS NOW AVAILABLE; MAKING NECESSARY FINDINGS OF FACT; RESOLVING ANY CONFLICTS CREATED BY AMENDMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.**

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**WHEREAS**, the City received an Application for Property Tax Abatement from Gulf Coast Ammonia, LLC on or about January 5, 2017 (“Applicant”), requesting property tax abatement from the City for a new ammonia production facility; and,

**WHEREAS**, the City previously adopted Ordinance 17-16 on May 17, 2017, whereby it designated certain areas of real property as the “Texas City Gulf Coast Reinvestment Zone No. 1” (the “Reinvestment Zone”) for commercial-industrial tax abatement purposes pursuant to Texas Tax Code Section 312.201;

**WHEREAS**, the City now desires to amend Ordinance 17-16 to more particularly define the boundaries of the Reinvestment Zone according to the legal descriptions now available for the real property constituting the Reinvestment Zone previously designated for commercial-industrial tax abatement purposes;

**WHEREAS**, the City has complied with the published and written notices required by Texas Tax Code Section 312.201(d) and thereafter conducted a public hearing during its duly noticed open public meeting held on Wednesday, December 6, 2017, at 5:00 p.m., regarding the amendment of “Texas City Gulf Coast Reinvestment Zone No. 1” to more particularly define by legal description the boundaries of the Reinvestment Zone for commercial-industrial tax abatement purposes, the deeds and legal descriptions of which are a matter of public record in the Galveston County Real Property Records and in the office of the City Secretary of Texas City, Texas;

**WHEREAS**, the City Commission finds and reaffirms that the Applicant’s proposed improvements intended for the Reinvestment Zone made the subject of this amendment are feasible and practical and would benefit the real property to be included in the Reinvestment Zone and the City after the expiration of a tax abatement agreement if executed between the Applicant and the City under Texas Tax Code Section 312.204;

**WHEREAS**, the City Commission finds that the amended Reinvestment Zone remains reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in such Reinvestment Zone that it will benefit the real property contained therein and will significantly contribute to and enhance the City’s further economic development;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:**

**SECTION 1:** Amendment of Reinvestment Zone Boundaries. Pursuant to Chapter 312 of Texas Tax Code, the City hereby amends Section 1 of Ordinance 17-16 which previously designated the “Texas City Gulf Coast Reinvestment Zone No. 1” for commercial-industrial tax abatement purposes and hereby redefines the Reinvestment Zone’s boundaries as follows:

**Area 1:** An approximate 14.7318 acres in the N. Hurd Survey, Abstract No. 77, City of Texas City, Galveston County Texas, as depicted by the Area 1 Survey and described by the metes and bounds legal description in Exhibit “A” attached hereto; and

**Area 3:** An approximate 11.9412 acres in the James B. Wells Survey, Abstract No. 205 and the N. Hurd Survey, Abstract No. 686, City of Texas City, Galveston County Texas, as depicted by the Area 3 Survey and described by the metes and bounds legal description in Exhibit “A” attached hereto.

**SECTION 2:** Declaration of Eligible Property. The City of Texas City hereby declares eligible for property tax abatement all eligible real and tangible personal property for commercial-industrial development, now or thereafter located in the amended “Texas City Gulf Coast Reinvestment Zone No. 1” as authorized by the City of Texas City guidelines and criteria for granting tax abatements in reinvestment zones and Chapter 312 of the Texas Tax Code.

**SECTION 3:** Limited Repeal & Amendment. All provisions of Ordinance 17-16 in conflict with the provisions of this Ordinance amending the boundaries of the “Texas City Gulf Coast Reinvestment Zone No. 1” are hereby repealed, and all other provisions of Ordinance 17-16 not in conflict with this Ordinance shall remain in full force and effect.

**SECTION 4:** Severability. If any section, sentence, clause or phrase of this Ordinance should be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance and the City Commission declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional.

**SECTION 5:** Effective date. This Ordinance shall be effective upon its adoption.

**PASSED AND ADOPTED this 6th day of December, 2017.**

\_\_\_\_\_  
Matthew T. Doyle, Mayor  
City of Texas City, Texas

APPROVED AS TO FORM:

\_\_\_\_\_  
Russell Plackemeier  
City Attorney

ATTEST:

\_\_\_\_\_  
James Hartshorn  
City Secretary

## STAFF REPORT

**TO:** Mayor Matthew T. Doyle  
City Commissioners

**RE:** Project Jupiter  
Amendment of Reinvestment Zone Boundaries

**MATTER:** 4003.3-2017

**DATE:** November 28, 2017

---

### ITEM 1: Public Hearing – Amendment of Reinvestment Zone

#### ACTION REQUEST:

Hold a public hearing on the amendment to the boundaries of the tax abatement reinvestment zone known as the “Texas City Gulf Coast Reinvestment Zone No. 1” to more particularly define its boundaries by survey and metes and bounds legal descriptions.

#### BACKGROUND:

The City received a tax abatement application from Gulf Coast Ammonia, LLC on January 5, 2017. As part of that project, the City Commission previously adopted Ordinance 17-16 on May 17, 2017, creating the “Texas City Gulf Coast Reinvestment Zone No. 1.” Gulf Coast Ammonia is leasing the real property within the reinvestment zone from Eastman Chemical Texas City, Inc. for the project.

When the Commission considered Ordinance 17-16, only a general description of the real property was available for the proposed reinvestment zone. Now that Gulf Coast Ammonia and Eastman have defined the real property made the subject of their lease agreement by survey and metes and bounds, it is appropriate to amend the reinvestment zone to more accurately defined its specific boundaries.

#### ANALYSIS:

The designation of the reinvestment zone is a pre-requisite to granting any tax abatement. Approving the proposed amendment cleans up what we have already done to better identify the zone’s boundaries. The other taxing jurisdictions participating in an abatement with Gulf Coast Ammonia will likely use the reinvestment zone as well.

### ITEM 2: Ordinance Approving Amendment of Reinvestment Zone

#### ACTION REQUEST:

Approve the Ordinance amending Ordinance 17-16 adopted May 17, 2017, originally designating "Texas City Gulf Coast Reinvestment Zone No. 1" in advance of the Commission's anticipated consideration of Gulf Coast Ammonia, LLC's application for commercial-industrial tax abatement within the zone.

**BACKGROUND:**

See Item 1 above.

**ANALYSIS:**

See Item 1 above.