

**RESOLUTION NO. 21-047**

**A RESOLUTION APPROVING AN AMENDMENT TO THE TAX EQUIVALENCY PAYMENT AGREEMENT BETWEEN VALERO REFINING-TEXAS L.P., ("VALERO REFINING"), THE TEXAS CITY FOREIGN TRADE ZONE CORPORATION ("GRANTEE"), THE CITY OF TEXAS CITY ('CITY"), AND THE TEXAS CITY INDEPENDENT SCHOOL DISTRICT ("TCISD"); AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.**

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**WHEREAS**, the current existing agreement obligates Valero Refining to make a Tax Equivalency Payment with respect to inventory located within the Subzone to all applicable taxing jurisdictions; and

**WHEREAS**, With approval of the proposed amendment, Valero will no longer be required as of tax year 2022, to provide the Tax Equivalency Payment to TCISD. In lieu of the Tax Equivalency Payment, Valero is entering into a separate agreement with TCISD that will provide TCISD a supplemental payment. By doing so, TCISD will not be adversely affected by state formula funding; and

**WHEREAS**, At the June 8, 2021, TCISD Board Meeting, the Board unanimously approved the Foreign Trade Zone Exemption and supplemental Valero/TCISD Payment Agreement.

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

**SECTION 1:** The City Commission of the City hereby approves execution of an amendment to the Tax Equivalency Payment Agreement between Valero Refining-Texas L.P., ("Valero Refining"), the Texas City Foreign Trade Zone Corporation ("Grantee"), the City of Texas City ('City'), and the Texas City Independent School District ('TCISD').

**SECTION 2:** It is hereby found, determined, and declared that a sufficient written notice of the date, hour, place and subject of this meeting of the City Commission was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. City Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

**SECTION 3:** This Resolution shall take effect immediately upon its first and final reading and the passage and approval.

**PASSED AND ADOPTED the 21st day of July 2021.**

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Dedrick D. Johnson, Sr., Mayor  
City of Texas City, Texas

ATTEST:

APPROVED AS TO FORM:

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Rhomari D. Leigh  
City Secretary

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Kyle L. Dickson  
City Attorney