

CITY OF TEXAS CITY
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, AUGUST 17 - 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) PROCLAMATIONS AND PRESENTATIONS

(a)

Service Awards		
Shane Skiles	Fire	08/13/2012 10 years
Jason Brown	Fire	08/13/2012 10 years
Shannon Caver	Public Works	08/06/2012 10 years
Dennis D. Harris	Fire	08/26/2002 20 years

- (5) REPORTS
 - (a) Street and Bridge Projects Annual Update
- (6) PUBLIC HEARING
 - (a) Public hearing to hear citizens' opinions in favor of or in opposition to the proposed 2022 tax rate of \$0.49 per \$100 valuation.
- (7) PRELIMINARY ZONING APPROVAL

- (a) Consider and take action on the Zoning Change Request from John Denton to rezone property located at 921 Texas Avenue, Texas City, Texas, from District "IBD" (Industrial Business District) to District "E" (General Business) to open and operate 4 Nights Bar & Lounge.

(8) PUBLIC COMMENTS

(9) CONSENT AGENDA

- (a) Approve City Commission Minutes for August 3, 2022 meeting. (City Secretary)
- (b) Consider and take action on Resolution No. 2022-074, approving the purchase of materials and services for the Golf Cart Path Rehabilitation - Phase 1 - Back 9 holes, from Southern Care Sweeping & Paving, a member of Choice Partners Purchasing Cooperative (Contract No. 20/028MJ-05). (Public Works)
- (c) Consider and take action on Resolution No. 2022-075, approving and awarding a contract for Bid No. 2022-416 Pavement Striping at Various Locations to One Way Striping & Signs. (Public Works)
- (d) Consider and take action on Resolution No. 2022-076, approved a revised contract between the Galveston County Health District and the City of Texas City for water pollution control and abatement services. (Public Works)
- (e) Consider and take action on Resolution No. 2022-077, approving GAMMA Construction's Guaranteed Maximum Price of \$11,432,400.00, for the Fire Station 4 / Police Substation facility. (Public Works)
- (f) Consider and take action on Resolution No. 2022-078, acknowledging the receipt of the 2021 Annual Report for the Tax Increment Reinvestment Zone No. 1 (TIRZ 1) Board. (Management Services)

(10) REGULAR ITEMS

- (a) Consider and take action on Ordinance No. 2022-18, levying an ad valorem tax for the year 2022 for the City of Texas City. (Finance)

(11) COMMISSIONERS' COMMENTS

(12) MAYOR'S COMMENTS

(13) 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 AUGUST 12, 2022, PRIOR TO 5:00 P.M. AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

RHOMARI LEIGH
CITY SECRETARY

CITY COMMISSION REGULAR MTG

(4) (a)

Meeting Date: 08/17/2022

Service Awards

Submitted For: Susan Sensat, Human Resources

Submitted By: Rhomari Leigh, City Secretary

Department: City Secretary

Information

ACTION REQUEST

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

CITY COMMISSION REGULAR MTG

(6) (a)

Meeting Date: 08/17/2022

Notice of Public Hearing on Tax Increase

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST

Public hearing to hear citizens' opinions in favor of or in opposition to the proposed 2022 tax rate of \$0.49 per \$100 valuation.

BACKGROUND (Brief Summary)

Public hearing to hear citizens' opinions in favor of or in opposition to the proposed 2022 tax rate of \$0.49 per \$100 valuation. This rate exceeds the no-new-revenue tax rate of \$0.448432 per \$100 valuation, but is less than the voter-approval tax rate of \$0.555639 per \$100 valuation.

The proposed rate is the same as the 2021 tax rate.

RECOMMENDATION

Due to anticipated cost increases due to inflation and contractual obligations, management is recommending approval of the proposed tax rate of \$0.49 per \$100 of property value.

Fiscal Impact

Attachments

Tax Rate Hearing Notice

Tax Rate 2022

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.490000 per \$100 valuation has been proposed by the governing body of the City of Texas City.

PROPOSED TAX RATE	\$0.490000 per \$100
NO-NEW-REVENUE TAX RATE	\$0.448432 per \$100
VOTER-APPROVAL TAX RATE	\$0.555639 per \$100

The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for the City of Texas City from the same properties in both the 2021 tax year and the 2022 tax year. The voter-approval rate is the highest tax rate that the City of Texas City may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that the City of Texas City is proposing to increase property taxes for the 2022 tax year.

A public hearing on the proposed tax rate will be held on August 17, 2022 at 5:00 pm at the Kenneth T. Nunn Room at City Hall, 1801 9th Avenue North, Texas City, Texas 77590.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, the City of Texas City is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Commission of the City of Texas City at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

FOR THE PROPOSAL:	Mayor Dedrick D. Johnson Abel Garza, Jr. Felix Herrera Jami Clark	Mayor Pro-Tem Thelma Bowie DeAndre' Knoxson Dorthea Jones Pointer
--------------------------	--	---

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by the City of Texas City last year to the taxes proposed to be imposed on the average residence homestead by the City of Texas City this year.

	2021	2022	Change
Total tax rate (per \$100 of value)	\$0.490000	\$0.490000	increase of 0.000000, or 0.00%
Average homestead taxable value	\$126,979	\$146,282	increase of \$19,303, or 15.20%
Tax on average homestead	\$622.20	\$716.78	increase of \$94.58, or 15.20%
Total tax levy on all properties	\$27,784,727	\$30,761,429	increase of \$2,976,702, or 10.71%

For assistance with tax calculations, please contact the tax assessor for the City of Texas City at 409-766-2260 or Cheryl.E.Johnson@co.galveston.tx.us, or visit www.galcotax.com for more information.

City of Texas City

Property Tax
For Tax Year 2022

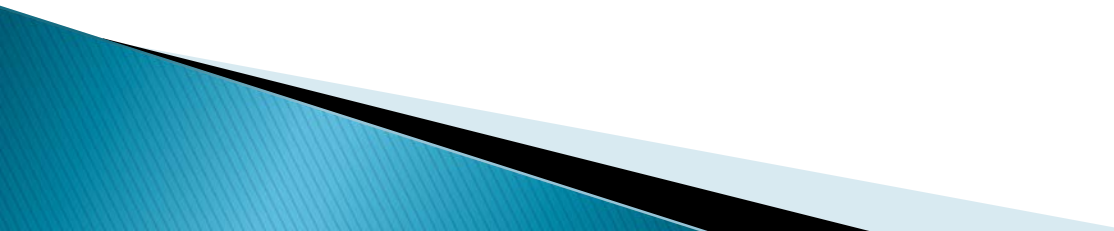
In early July, the City provides to the County Tax Office:

- amount paid to the tax increment zone
- debt service information
- sales tax revenue information

In mid to late July, the Galveston Central Appraisal District issues:

- certified appraisal review board (ARB) approved totals
- under ARB review totals to the taxing entities.

As soon as possible thereafter, the County Tax Office calculates the No-New-Revenue Tax Rate (formerly the effective tax rate) and the Voter Approval Tax Rate (formerly the rollback tax rate).



The No-new-revenue tax rate (NNR) is the total tax rate needed to raise the same amount of property tax revenue for the city from the same properties in both the 2021 tax year and the 2022 tax year.

NNR TAX RATE CALCULATION:

Adjusted 2021 tax levy (per GCTO):	\$27,534,520
<u>2022 Certified Values:</u>	\$7,181,080,240
Less: Tax increment financing	-\$662,722,291
Plus: 80% under ARB review values	+\$178,436,042
Less: Tax ceilings (65 or older or disabled)	<u>-\$418,951,326</u>
<u>2022 Total Taxable Value</u>	\$6,277,842,665
Less: 2022 values of prop. in territory annexed after 1/1/21	-\$0
Less: 2022 values of new improvements	<u>-\$137,669,764</u>
<u>2022 Adjusted Taxable Value</u>	\$6,140,172,901

$$\begin{aligned} \text{2022 NNR Tax Rate: } & \$27,534,520 / \\ & \$6,140,172,901 \times \$100 = \\ & \underline{\underline{\$0.448432 \text{ per } \$100}} \end{aligned}$$

(\$0.041568 less than current rate of \$0.49)

The Voter Approval Tax Rate (VAR) is the highest tax rate that the city may adopt without holding an election to seek voter approval of the rate.

This rate is split into 2 separate rates:

Maintenance & Operations (M&O) rate—rate to raise same amount levied in prior yr + the applicable percentage allowed by law, 3.5%.

Debt rate—rate necessary to pay City's debt payments in the coming year

Voter Approval Tax Rate (VAR):

2022 Debt Tax Rate: \$0.049936 per \$100

2022 VAR (adjusted for sales tax): \$0.555639 per \$100



NO-NEW-REVENUE TAX RATE:

\$0.448432 per \$100 of property value

M&O rate: \$0.398496

Debt (I&S) rate: \$0.049936

VOTER APPROVAL TAX RATE:

\$0.555639 per \$100 of property value

Due to anticipated cost increases due to inflation and contractual obligations, management is recommending a proposed tax rate of \$0.49 per \$100 of property value, which is the same as the current rate.

TAX LEVY CALCULATION:

<u>2022 Certified Values:</u>	\$7,181,080,240
Less: Tax increment financing values	-\$662,722,291
Plus: Under ARB review values	+\$178,436,042
Less: Tax ceilings (65 or older or disabled)	<u>-\$418,951,326</u>
<u>2022 Total Taxable Value</u>	\$6,277,842,665

TAX LEVY W/ PROPOSED RATE:

$$\begin{aligned} \$0.49 \times \$6,277,842,665 / 100 &= \$30,761,430 \\ \text{Plus: ceiling taxes} &\quad \underline{1,258,138} \\ &= \$32,019,568 \end{aligned}$$

$$\begin{aligned} \text{M\&O} &= \$28,756,447 \\ \text{I\&S} &= \$3,263,121 \end{aligned}$$

CITY COMMISSION REGULAR MTG

(7) (a)

Meeting Date: 08/17/2022

Tabled from July 20, 2022 meeting. Zoning Change Request from John Denton for 921 Texas Avenue 4 Nights Bar & Lounge

Submitted For: Kim Golden, Transportation and Planning

Submitted By: Veronica Carreon, Transportation and Planning

Department: Transportation and Planning

Information

ACTION REQUEST

Consider and take action on the Zoning Change Request from John Denton to rezone the property at 921 Texas Avenue, Texas City, TX from District "IBD" (Industrial Business District) to District "E" (General Business) to open and operate 4 Nights Bar & Lounge, an entertainment venue (appeal from recommendation of the Zoning Commission to deny the rezoning request).

BACKGROUND (Brief Summary)

Applicant, John Denton, seeks to purchase and operate the subject location as an entertainment venue, the 4 Nights Bar & Lounge.

RECOMMENDATION

On Tuesday, June 7, 2022, the Zoning Commission voted 4-0 to recommend denial of the rezoning from District "IBD" (Industrial Business District) to District "E" (General Business). Motion carried.

Staff recommends DENIAL of the request for zoning change because (1) allowing the uses of the General Business District in the area is contrary to the transformative intent of the IBD District; (2) the use as an entertainment venue and assembly space is not compatible with the purpose of the IBD to promote the development of high quality light industrial uses which are dependant on and complimentary to the adjacent heavy industrial complex; (3) there is a history of actual conflicts between the incompatible uses as evidenced by the letter of objection received from an adjacent property owner; (4) the existing building is not compliant with the area regulations of the IBD relating to landscaping and open space.

Fiscal Impact

CITY COMMISSION REGULAR MTG

(9) (b)

Meeting Date: 08/17/2022

Golf Cart Path Rehabilitation - Phase 1 - Back 9 Holes

Submitted For: Mike McKinley, Public Works

Submitted By: Mike McKinley, Public Works

Department: Public Works

Information

ACTION REQUEST

Approve the purchase of materials and services for the Golf Cart Path Rehabilitation - Phase 1 - Back 9 Holes from, Southern Care Sweeping & Paving, a member of the Choice Partners Purchasing Cooperative contract # 20/028MJ-05.

BACKGROUND (Brief Summary)

D.J. Hutchinson, Public Works Project Administrator, approached Southern Care Sweeping & Paving with the details of the rehabilitation needed for the Golf Cart Path Rehabilitation - Phase 1 - Back 9 Holes. On August 3, 2022, Southern Care Sweeping & Paving submitted a proposal, # 782-22. This proposal included all materials, labor, and equipment needed for this project and is attached for your review. The total amount of this proposal is \$159,360.00.

Funds are made available in the 2021-2022 Annual Budget.

RECOMMENDATION

It is the recommendation of the Public Works Department and the Recreation and Tourism Department that the City of Texas City Commission accept this proposal from Southern Care Sweeping & Paving for the total amount quoted of \$159,360.00, and that the Mayor be authorized to execute a contract on behalf of the City Commission.

It is further recommended that the Mayor be authorized to approve and change orders, not to exceed 25% of the total contract price, without taking the matter before the City Commission.

Thank you

Fiscal Impact

Attachments

Exhibit A
Resolution

Southern Care

Sweeping & Paving Company

August 3, 2022

PROPOSAL # 782-22

CHOICE PARTNERS CONTRACT 20/028MJ-05

Proposal Submitted to: Mr. DJ Hutchinson Project Administrator Public Works Department 7800 Emmett F. Lowry Expressway Texas City, TX 77590	Work To Be Performed At: Bayou Golf Course 2800 Ted Dudley Drive, Texas City Golf Cart Path Rehab Phase 1—Back 9 holes djhutchinson@texascitytx.gov (409) 750-2035
---	---

DESCRIPTION OF WORK TO BE DONE

Bid includes all labor, materials supervision, equipment and insurance for the following Scope of Work:

GOLF CART PATH REHAB—PHASE 1—BACK 9 HOLES

Excavate and haul off existing asphalt down to the base where needed.

(BASED ON APPROXIMATELY 20% OF THE EXISTING PATH)

- ◆ Transitions will be made by removing the asphalt in all areas adjacent existing concrete slabs. This will allow for the correction of any deviation with elevations and will provide a smoother transition between the two surfaces.
- ◆ Correct damaged subgrade as needed.
- ◆ Scrape the edges, where needed, to accommodate a minimum 8 foot wide path. Wider areas will be overlaid to match the existing widths.
- ◆ Apply liquid asphalt for tack (SS-1.)
- ◆ Overlay existing asphalt and reconditioned subgrade with 2 inches of TEXAS HIGHWAY DEPARTMENT TYPE “D” HMAC (HOT MIX ASPHALTIC CONCRETE) and compact to proper density.
- ◆ Clean up excess asphalt and any construction materials or debris.

For areas where the path is scraped (for widening), it is recommended that the ground be sterilized with an appropriate product that will be supplied and applied by the golf course management.

New asphalt should remain traffic free for 24 hours.

STAGING AREAS

- ◆ Materials and equipment to be staged on the unpaved overflow parking lot adjacent the paved parking lot.
- ◆ Other material staging areas throughout the course, to be determined.
- ◆ Southern Care plans on using smaller/lighter dump trucks to haul off and deliver materials in an effort to minimize potential damage/surface disruption to the course.
- ◆ In areas not accessible to trucks, the product will be shuttled using skid steers.

EXCLUSIONS: Any permits, drawings, labs, testing, utility work, private locates, drainage improvements, irrigation repairs, replacement and/or relocation of any existing irrigation system, expansion joint sealant, repair/replacement of damaged landscaping from haul off and/or material delivery.

Southern Care Sweeping & Paving Company is not responsible for any reflective cracking that may occur in the new asphalt due to any pre-existing subgrade conditions and/or as a result of shifting sub grades during this severe drought time.

Approximate Timeline Of Construction: Back 9 Holes: 5 - 7 days

The back nine (9) holes of the course will need to be shut down throughout the duration of construction of this section.

PRICING	
Removal of approx. 20% of the existing asphalt	
Removal (approx. 12,800 sq. ft.) @ \$.70 sq. ft.	\$ 8,960.00
Overlay (approx. 64,000 sq. ft.) @ \$2.35 sq. ft.	\$150,400.00
TOTAL ESTIMATE	\$159,360.00

PAYMENT TERMS: TO BE DETERMINED

CONTINGENCY: Allowance to backfill (with bank sand) the new asphalt edges to reduce the probability of breaking during the curing period.

\$ 30,000.00

****A measurement audit will be performed prior to submittal of final invoice.**

NOTE:	<i>Owner/management to be responsible for relocation, removal or re-routing of all vehicles prior to startup of construction. All towing to be at owner/management request and owner/management or vehicle owner expense.</i>
NOTE:	<i>Southern Care Sweeping & Paving Company reserves the right to subcontract any part of the work described above, necessary to complete this contract.</i>
NOTE:	<i>Southern Care Sweeping & Paving Company is not responsible for dust that may accumulate on any vehicles or building structure.</i>
NOTE:	<i>On site water with adequate pressure to be provided at no additional cost to Southern Care Sweeping & Paving Company.</i>
NOTE:	<i>All projects that are performed over a period of weeks will be invoiced on a progressive payment schedule (i.e. example: work restricted to Saturdays only and requiring multiple mobilizations, and/or long-term projects).</i>
NOTE:	<i>Southern Care Sweeping & Paving Company reserves the right to nullify any and all warranties as a result of damage to or the tracking of, applied or installed concrete, asphalt, sealant, or paint materials at the owners insistence, but against the recommendation of Southern Care Sweeping & Paving Company due to unfavorable surface or weather conditions.</i>

We hereby propose to furnish labor and materials -- complete in accordance with the above specifications, for the sum of

One hundred fifty nine and three hundred sixty & 00/100 dollars (\$159,360.00)

All material guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accident or delays beyond our control. This proposal subject to acceptance within 14 days and voids thereafter at the option of the undersigned. One year warranty on materials and workmanship.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

Authorized Signature: _____ Date: _____

SIGNED CONTRACTUAL AGREEMENT MUST BE RETURNED PRIOR TO START UP OF PROPOSED & ACCEPTED SCOPE OF WORK.

Respectfully submitted: 
Trey W. South, President and CEO

RESOLUTION NO. 2022-074

A RESOLUTION APPROVING THE PURCHASE OF MATERIALS AND SERVICE FOR THE GOLF CART PATH REHABILITATION – PHASE 1 – BACK 9 HOLES FROM SOUTHERN CARE SWEEPING & PAVING, A MEMBER FOR THE CHOICE PARTNERS PURCHASING COOPERATIVE CONTRACT NO. 20/028MJ-05; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, on August 3, 2022, Southern Care Sweeping & Paving submitted a proposal for the Golf Cart Path Rehabilitation - Phase 1 - Back 9 Holes project. The proposal included materials, labor, and equipment needed for this project. The total labor price for this project, with Choice Partners discount, is \$159,360.00 and is available in the FY 2021-2022 Annual Budget; and

WHEREAS, the Texas City Public Works Department and Recreation and Tourism Department requests approval for the Golf Cart Path Rehabilitation - Phase 1 - Back 9 Holes Project from Southern Care Sweeping & Paving, a member for the Choice Partners Purchasing Cooperative Contract No. 20/028MJ-05.

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, Texas, hereby approves the Golf Cart Path Rehabilitation - Phase 1 - Back 9 Holes Project from Southern Care Sweeping & Paving, a member for the Choice Partners Purchasing Cooperative Contract No. 20/028MJ-05, as set out on the quote attached hereto as **Exhibit “A”** and made a part hereof for all intents and purposes.

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 17th day of August 2022.

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

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh

Kyle L. Dickson

City Secretary

City Attorney

CITY COMMISSION REGULAR MTG

(9) (c)

Meeting Date: 08/17/2022

Bid # 2022-416 Pavement Striping at Various Locations

Submitted For: Mike McKinley, Public Works

Submitted By: Mike McKinley, Public Works

Department: Public Works

Information

ACTION REQUEST

Approve and award a contract for bid # 2022-416 Pavement Striping at Various Locations.

BACKGROUND (Brief Summary)

A notice to bidders was advertised on 07/07-08/2022 in the Galveston County Daily News and bid packets were sent to local area bidders. Bids were opened on July 25, 2022, at 10:00 a.m. The lowest responsible bidder meeting all specifications was received from One Way Striping & Signs for the total bid amount of \$48,970.55.

A bid tabulation is attached for your review.

RECOMMENDATION

It is the recommendation of the Public Works Department to award the contract to One Way Striping & Signs for the amount bid and that the Mayor be authorized to execute a contract on behalf of the City Commission.

It is further recommendation that the Mayor be authorized to approve any change orders, not to exceed 25% of the original price bid, without bringing the matter before Commission.

Thank you.

Fiscal Impact

Attachments

Exhibit A
Resolution



2022-416

2022 Pavement Striping at Various Locations

Bid Tabulation

BIDDER	BID BOND	ADDEN-DUM(s) 1	TOTAL AMOUNT BID
Semper Striping	-	-	No Bid
One Way Striping and Signs	x	y	\$48,970.55
Striplines	-	-	No Bid

RESOLUTION NO. 2022-075

A RESOLUTION AWARDING BID NO. 2022-416 PAVEMENT STRIPING PROJECT AT VARIOUS LOCATIONS AND AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH ONE WAY STRIPING & SIGNS; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, bids were made available to area vendors on July 7-8, 2022 and, for Bid No. 2022-416, Pavement Striping Project at various locations within the City of Texas City; and

WHEREAS, bids were opened on July 25, 2022, and it is the recommendation of the Public Works Department that the bid be awarded to One Way Striping & Signs, Tomball, Texas, for the total bid amount of \$48,970.55.

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

SECTION 1: That the City Commission hereby accepts the contract by One Way Striping & Signs for 2022-416, Pavement Striping Project at various locations.

SECTION 2: That the Mayor is hereby authorized to enter into a contract with One Way Striping & Signs for the prices bid attached hereto as **Exhibit "A"** and made a part hereof for all intents and purposes.

SECTION 3: That the Mayor is hereby authorized to approve change orders, not to exceed twenty-five (25.0%) of the total contract amount, without bringing the matter before the City Commission.

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

PASSED AND ADOPTED this 17th day of August 2022.

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

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(9) (d)

Meeting Date: 08/17/2022

FY2023 Contract for Water Pollution Control abatement

Submitted For: Mike McKinley, Public Works

Submitted By: Mike McKinley, Public Works

Department: Public Works

Information

ACTION REQUEST

Approve a revised contract between the Galveston County Health District and the City of Texas City for water pollution control and abatement services.

BACKGROUND (Brief Summary)

The City of Texas City is a member for the Galveston County Health District and responsible for the quality of the water with it's jurisdiction, and has elected to contract for water quality services with the Galveston County Health District.

The contract and cover letter are attached for your review.

RECOMMENDATION

It is the recommendation of the Utilities Department the City of Texas City pay the performing party an annual fee \$ 39,774.00 for the services set forth in the attached agreement and that the Mayor be authorized to execute a contract on behalf of the City Commission.

Thank you.

Fiscal Impact

Attachments

Exhibit A

Exhibit B

July 29, 2022

Mr. Corbin Ballast
Public Utilities Director
City of Texas City
911 Highway 146 North
Texas City, Texas 77590

Dear Mr. Ballast:

Enclosed please find the FY2023 Water Pollution Control and Abatement Contract between the City of Texas City and the Galveston County Health District. Should you wish to propose revisions to this Contract, please notify me by phone or via email. Please note that the total amount of the Contract has **increased** for the 2023 fiscal year.

Following your review and approval, please have your municipality's designated official sign the contract and remit an original copy by mail to: Galveston County Health District, Environmental Services, PO Box 939, La Marque, Texas 77568 or via email to kwilson@gchd.org

Once we receive the signed original copy, we will fully execute the contract and return a copy for your records. Should you have any additional questions or concerns, please feel free to contact me at 409-938-2310.

Sincerely,



Katie Wilson
Water Pollution Services Manager
Galveston County Health District

KW

Enclosures

Public Health Services · Coastal Health & Wellness · Emergency Medical Services · Animal Resource Center

The Galveston County Health District (GCHD) is the local public health agency for Galveston County, Texas. GCHD provides services and programs that protect the everyday health and well-being of Galveston County.

P.O. Box 939 La Marque, Texas 77568 • (409) 938-7221

www.gchd.org



Contractual Agreement
For the
City of Texas City

THE STATE OF TEXAS	§
	§
COUNTY OF GALVESTON	§
	§
CITY OF TEXAS CITY	§

THIS AGREEMENT is made and entered into by and between the City of Texas City (hereinafter "CITY"), with its principal office at 1801 9th Avenue North, Texas City, Galveston County, Texas 77592 and the Galveston County Health District, Office of Environmental Health Programs (hereinafter "PERFORMING PARTY"), with its principal office at 9850-D Emmett F. Lowry Expressway, Texas City, Texas 77591.

WITNESSETH

WHEREAS, the Interlocal Cooperation Act of the State of Texas provides that political subdivisions of the State may contract or agree with another local government to perform governmental functions and services in accordance with the provisions of the Act; and

WHEREAS, the PERFORMING PARTY and the CITY have agreed to contract water pollution control and abatement services; and

WHEREAS, the PERFORMING PARTY organized the Water Pollution Control and Abatement Program in 1972 and is charged with performing water quality monitoring and pollution abatement activities for Galveston County and its contracted political subdivisions, and is supported through the county general fund and contracted political subdivision contributions; and

WHEREAS, the CITY is a member of the Galveston County Health District and responsible for the quality of the water within its jurisdiction and has elected to contract for water quality services with the PERFORMING PARTY.

NOW, THEREFORE, for and in consideration of the mutual covenants expressed herein, the parties agree as follows:

ARTICLE I

STATEMENT OF SERVICES

The PERFORMING PARTY agrees to perform the following services for the CITY as indicated by a check mark for each activity:

Investigations - Complaint Response

- (1) The PERFORMING PARTY will respond to all water quality related complaints within jurisdictional limits of the CITY whether received from a citizen or referred by employees of the CITY, as expeditiously as possible.
- (2) The PERFORMING PARTY will document each and every complaint received. Documentation will include information relative to the nature of the complaint, investigative findings, corrective actions taken, and enforcement actions, if necessary.
- (3) The PERFORMING PARTY will protect from disclosure information regarding the identity of a complainant to the extent allowed by the Texas Public Information Act, Govt. Code Chapter 552. In the event that information, which tends to identify a complainant, is requested pursuant to the Texas Public Information Act, the PERFORMING PARTY will seek to protect that information through a request for opinion from the Legal Services Division of the County of Galveston.
- (4) The PERFORMING PARTY will immediately coordinate with the CITY as necessary, in regards to action to when responding to any complaints deemed reasonably substantial in terms of concentration, duration, or potential health impacts.
- (5) In cases posing or potentially posing imminent and substantial danger to the health and welfare of persons or the environment, the PERFORMING PARTY may utilize its authority to seek enforcement action(s) through the court systems in Galveston County.
- (6) The PERFORMING PARTY will cooperate with both state and federal agencies, as necessary; however, the PERFORMING PARTY will function independently under the scope of this AGREEMENT and will not serve as state or federal agents.

☒ Source Inspections - Publicly Owned Treatment Works (POTW)

- (7) The PERFORMING PARTY will conduct a scheduled comprehensive compliance inspection(s) at any or all POTWs within the jurisdictional boundaries of the CITY. The inspection will be consistent with the most current version of the POTW inspection protocol currently used by the Region 12 Texas Commission on Environmental Quality (TCEQ) Water Quality Section. The comprehensive inspection will include the collection of an influent and effluent sample. The collected samples will be split with the appropriate wastewater treatment plant personnel and the contracted NELAC accredited laboratory.
- (8) The PERFORMING PARTY will conduct a scheduled non-comprehensive compliance inspection(s) at any or all POTWs within the jurisdictional boundaries of the CITY. This non-comprehensive inspection will include the collection of an influent and effluent sample. The collected samples can be split amongst the appropriate wastewater treatment plant personnel and the contracted NELAC accredited laboratory for testing.
- (9) The PERFORMING PARTY will immediately coordinate with the CITY, when responsive action through the inspection process yields test results substantial in terms of concentration, duration, and/or potential health impacts.

☒ Source Inspections - Grease Traps and Grit Traps

- (10) The PERFORMING PARTY will conduct one (1) unannounced inspection at identified grease traps associated with Galveston County Health District permitted food establishments and one (1) unannounced inspection at identified grit traps associated with car washes within the jurisdictional boundaries of the CITY.
- (11) The PERFORMING PARTY will immediately coordinate with the RESPONSIBLE PERSON, as necessary, on action to respond to any problems identified during the inspection process that are substantial in terms of concentration, duration, or potential health impacts.

- (12) In cases which violate any rule, regulation, law or ordinance or any case which may present an imminent and substantial danger to the health and welfare of persons or the environment, the PERFORMING PARTY may utilize their authority to seek enforcement action(s) through the court system.

☒ Sample Local Waterways (Surface Water Sampling)

- (13) The PERFORMING PARTY will assure routine monitoring stations are sampled. Routine sampling typically includes field measurements, routine water chemistry and bacteriological analysis. The objectives of monitoring these parameters are to determine impacts of point and nonpoint sources, and detect and describe spatial and temporal changes. The monitoring of field measurements also provides complementary information necessary for evaluating chemical and biological data.
- (14) The PERFORMING PARTY will provide, upon request, a map to the CITY specifying the locations of all of the surface water sampling sites located within the jurisdictional boundaries of the CITY.
- (15) The PERFORMING PARTY will submit all surface water samples to laboratories performing analysis that are routinely audited by their primary National Environmental Laboratory Accreditation Program (NELAP) accrediting body to evaluate the laboratory's compliance with the current The NELAC Institute (TNI) Standard.
- (16) The PERFORMING PARTY will conduct investigations based upon results of surface water sampling results. The PERFORMING PARTY will review all sampling results to identify waterways that may be adversely impacted. The purpose of such investigations is to detect and eliminate sources of water pollution.

ARTICLE II

REPORTING

The PERFORMING PARTY agrees to provide reports to the CITY pertaining to investigations, inspections, surface water testing

at known or potential sources of water pollution located within the jurisdictional boundaries of the CITY.

A. Monthly Reports

A summary report of progress specifying the number and type of activities conducted for the month and a list of activities approved for the month to include sources investigated by name and type of investigation. The PERFORMING PARTY will submit the monthly report to the CITY by the seventh (7th) calendar day following the end of the month.

B. Annual Reports

The PERFORMING PARTY shall submit an annual summary of its activities within the CITY's jurisdiction completed during the fiscal year. A final draft of said summary will be due no later than the last day of January. A draft will be submitted to representative of the CITY for review prior to finalization. The annual report will provide a summary of all activities listed in this contract. Upon request, the PERFORMING PARTY will provide to the CITY a list of all facilities with state permitted discharges within the CITY's jurisdictional boundaries.

ARTICLE III

MEETINGS AND COMMUNICATION

Either party may request an "ad-hoc" meeting throughout the contract term, as necessary. The meeting can be the forum used to distribute and discuss annual summaries, contracts, other pertinent information, and to discuss any concerns identified by the PERFORMING PARTY. Communication can be conducted via email, phone, virtual meeting, etcetera.

ARTICLE IV

EMPLOYEE TRAINING

The PERFORMING PARTY agrees to assure the proper training of its staff and shall remain responsible for ensuring that staff is sufficiently qualified to perform any and all designated tasks that could foreseeably arise under the scope of this AGREEMENT.

ARTICLE V

COMPENSATION

For and in consideration of the services (Article I) to be rendered by the PERFORMING PARTY, the CITY shall pay, and the PERFORMING PARTY shall receive, compensation as hereinafter negotiated based on the amount of services chosen in Article I, Statement of Services (see Attachment A, Contract Pricing). All remittance by the CITY for such compensation shall either be mailed or delivered to the PERFORMING PARTY's principal office.

Compensation for all services rendered by the PERFORMING PARTY under the scope of this AGREEMENT shall be made to the PERFORMING PARTY by the CITY in accordance with the following terms:

Partial payments for services rendered by the PERFORMING PARTY shall be submitted quarterly to the PERFORMING PARTY and within thirty (30) days of the CITY's receipt of their quarterly statement. Final payment for services shall be due upon completion of these services.

ARTICLE VI

TERMINATION

In connection with all the services outlined under the scope of this AGREEMENT, the CITY or the PERFORMING PARTY by providing written notice to the other party at least thirty (30) days prior to the date of the desired termination. Upon receipt of the contractual termination to the other party, all work being performed under this AGREEMENT shall immediately cease, unless such work can be completed within the thirty (30) days prior to the official date of termination.

Further, the PERFORMING PARTY shall be compensated in accordance with this AGREEMENT for all work provided to the date of the AGREEMENT's official termination.

All completed or partially completed reports prepared under this AGREEMENT shall be delivered to the CITY, which the CITY may subsequently use without constraint.

All rights, duties, liabilities and obligations accrued prior to such termination shall survive termination.

ARTICLE VII

ASSIGNMENT AND SUBCONTRACTS

This AGREEMENT shall not be assigned or subcontracted in whole or in part without the written consent of the CITY.

ARTICLE VIII

NOTICES

All notices and communications under this AGREEMENT to be delivered to the CITY shall be sent via traditional postage, unless otherwise notified:

Attention: Corbin Ballast
Utilities Director
City of Texas City
PO Box 2608
Texas City, Texas 77592-2608

All notices and communications under this AGREEMENT to be delivered to the PERFORMING PARTY shall be sent traditional postage, unless otherwise notified:

Attention: Katie Wilson
Water Pollution Services Manager
Galveston County Health District
Office of Environmental Health Programs
PO Box 939
La Marque, Texas 77568

ARTICLE IX

INSURANCE

During the entirety of this AGREEMENT, the PERFORMING PARTY shall maintain, and shall require its subcontractors to maintain:

- (1) Adequate general liability insurance for bodily injury and property damage in amounts satisfactory to the CITY; and,
- (2) Worker's compensation coverage for all of the PERFORMING PARTY'S employees.

The PERFORMING PARTY agrees to indemnify and hold the CITY harmless from and against any and all courses of legal action resulting from or arising out of the PERFORMING PARTY'S failure to maintain adequate general liability insurance or worker's compensation coverage as required by this AGREEMENT or as required by governing law.

ARTICLE X

EMPLOYMENT PRACTICES

The PERFORMING PARTY agrees not to discriminate against any employee or applicant for employment on the basis of race, religion, color, sex, age, disability or national origin. The PERFORMING PARTY agrees to comply with the Immigration Reform and Control Act of 1986 and the Americans with Disabilities Act of 1990. The CITY encourages the PERFORMING PARTY to provide equal opportunity to historically disadvantaged business enterprises if and when the PERFORMING PARTY is to subcontract services under the scope of this AGREEMENT.

ARTICLE XI

REPRESENTATION

The PERFORMING PARTY represents that no CITY officer, employee or agent has been compensated in any way with respect to this AGREEMENT and its consideration by the CITY. In no event will the PERFORMING PARTY pay a fee or provide any other form of compensation to any CITY officers, employees or agents in connection with the approval or performance of this AGREEMENT or terms herein. A breach of this ARTICLE shall result in automatic termination of the AGREEMENT and in accordance with this AGREEMENT. The CITY may use all reports prepared under this AGREEMENT as provided in ARTICLE VI, TERMINATION. Additionally, the PERFORMING

PARTY shall be liable for all damages to the CITY occasioned by a termination under this Article.

ARTICLE XII

PRIOR AGREEMENTS SUPERSEDED

This AGREEMENT constitutes the sole terms and conditions permissible of the parties hereto in regards to pertinent matter and supersedes any prior understanding, oral or written agreements between the parties regarding the subject matter of this AGREEMENT.

ARTICLE XIII

GOVERNING LAW

The validity of this AGREEMENT and any terms or provisions, as well as the rights and duties hereunder, shall be governed by the laws of the State of Texas.

ARTICLE XIV

LAWS AND ORDINANCES

The PERFORMING PARTY shall at all times observe and comply with all federal, state and local laws, ordinances, rules, regulations and orders of any public authority, which in any manner affect this AGREEMENT.

ARTICLE XV

VENUE

In the event that any legal proceeding is brought to enforce this AGREEMENT, or any provision hereof, Galveston County is the venue for said action.

ARTICLE XVI

AMENDMENT

This AGREEMENT shall not be amended without the written consent of the other party. The Mayor or designee has the authority to make amendments to this AGREEMENT without subsequent City Council approval.

ARTICLE XVII

TERM OF AGREEMENT

This AGREEMENT shall be effective October 1, 2022 and shall continue in full force until September 30, 2023, but upon the CITY's determination, may be extended by written agreement. All payments and liabilities accrued prior to termination shall survive the termination.

IN WITNESS WHEREOF, the parties acting under the authority of their respective governing bodies have caused this AGREEMENT to be executed in several counterparts, each of which is deemed to be an original and as of the day and date first written above.

**GALVESTON COUNTY HEALTH
DISTRICT**

CITY OF TEXAS CITY

Trish Bailey
Chief Financial Officer

Dedrick Johnson, Sr.
Mayor

Date

Date

Attachment A: Contract Pricing

City of Texas City October 1, 2022 - September 30, 2023			
Activity	Number of Units	Cost per Unit	Total Cost
Complaint Investigations Flat Rate-Per Capita 2020 Census	51,898	\$0.33	\$17,126
Wastewater Treatment Plant Inspection (Spot)	0	\$0	\$0
Wastewater Treatment Plant Inspection (CCI)	1	\$446	\$446
Source Inspections - Grease Traps	126	\$98	\$12,348
Source Inspections - Grit Traps	10	\$98	\$980
Surface Water Sampling (collect and lab testing)	6	\$1,479	\$8,874
Total			\$39,774

CITY COMMISSION REGULAR MTG

(9) (e)

Meeting Date: 08/17/2022

GAMMA Construction Guaranteed Maximum Price - Fire Station 4 / Police Substation

Submitted For: Mike McKinley, Public Works

Submitted By: Mike McKinley, Public Works

Department: Public Works

Information

ACTION REQUEST

Approval of GAMMA Constructions Guaranteed Maximum Price of \$11,432,400.00, for the Fire Station 4 / Police Substation facility.

BACKGROUND (Brief Summary)

GAMMA Construction has been hired by the City of Texas City as our Construction Manager At Risk for the Fire Station 4 / Police Substation facility. They have finalized their GMP (Guaranteed Maximum Price). It is shown to be \$11,432,400.00.

A letter of recommendation and supporting documents are attached for your review.

RECOMMENDATION

It is our recommendation that the City Commission accept and approve Gamma Construction's GMP of \$11,432,400.00 and that the Mayor be authorized to enter into this agreement on behalf of the Commission.

Thank you.

Fiscal Impact

Attachments

Exhibit A



**CITY OF TEXAS CITY
PUBLIC WORKS DEPARTMENT
7800 Emmett F. Lowry
TEXAS CITY, TX. 77590**

Date: August 10, 2022

Mayor Dedrick Johnson and
Members of the City Commission
1801 9th Avenue North
Texas City, Texas 77590

RE: GMP Approval/ Texas City Fire Station #4 and Police Substation

Ladies and Gentlemen:

On July 28th, 2022, the Public Works Department received a letter stating the GMP (guaranteed maximum price) in the amount of **\$11,432,400.00** from **Gamma Construction Co.** for construction of the new **Texas City Fire Station #4 and Police Sub-Station**, designed by Joiner Architects. This new facility will be to be located near the Lago Mar subdivision to provide a more timely response of Emergency Services to our residents west of I-45. I have attached Gamma's letter detailing their construction costs along with cost saving items.

The team of Gamma Construction and Joiner Architects recently completed the construction of the City of Texas City's state-of-the-art Emergency Services Training Facility. Their combined performance and attention to our needs on this project met our expectations. For this reason along with the uncertainties in the economy, it is my recommendation for the City Commission, to please authorize the Mayor to approve this GMP and move forward with the construction of this facility.

Respectfully,

DJ Hutchinson
Project Administrator

/cc: Jack Haralson, Director of Public Works
Kelle Bender, Purchasing



2808 Joanel Street • Houston, TX 77027
Phone: 713/963-0086 • Fax: 713/963-0961

July 27, 2022

Joiner Architects
700 Rockmead Dr., Ste. 265
Kingwood, Texas 77339

Attn: Joby Copley

Re: Texas City Fire Station #4 & Police Sub-Station
GMP Proposal

We have prepared a GMP proposal based on drawings prepared by Joiner Architects dated 5/31/22, including addenda 1 through 3, and value engineered items accepted by the design team & owner. A list of the drawings is included herein as Exhibit A. The guaranteed maximum price for the above referenced project is **\$11,432,400**. We have included a breakdown of the GMP proposal in the attached Exhibit B.

Market driven cost increases have been raising construction budgets for the past 12-18 months. Steel, lumber, Portland cement, plastics, and copper have all seen 12% to 30% material cost increases in the past two months alone. Unpredictable fuel costs and supply chain issues continue to adversely affect pricing and prompt more suppliers to institute and raise fuel surcharges.

In an attempt to offset these global issues and to propose the project closer to the targeted goal, the design team and Gamma came up with a list of value engineering items. The accepted items are part of this GMP Proposal and the complete list is attached as Exhibit C.

Assumptions & clarifications included in the GMP are as follows:

Division 1 – General Conditions

- Builders Risk, GL, Windstorm Insurance, and Bond
- SWPPP system
- Windstorm inspections are included
- HVAC Test & Balance and Commissioning costs are excluded
- Utility assessment, tap fees, MUD fees, and/or impact fees are excluded
- Permit fees are excluded. Permit is assumed to be provided at no cost
- BIM & CAD As-Built requirements are excluded

Division 3 – Concrete

- Drilled piers & grade beams
- Depressions in SOG for restrooms
- Housekeeping pads
- Sidewalks & paving as shown
- Median cut & paving

Division 4 - Masonry

- CMU, Split Face CMU, and cast stone
- Stone veneer and modular brick construction

Division 5 – Metals

- Structural steel
- Roof beams in lieu of roof joists
- All material exposed to the elements shall be hot dipped galvanized

Division 7 – Thermal & Moisture Protection

- Rigid insulation with fluid applied air barrier waterproofing at exterior walls
- Metal roofing and Insulation by Berridge
- Under slab vapor barrier
- Cavity Drainage within air gap at exterior walls

Division 8 – Doors & Windows

- Interior HM frames with p-lam faced wood doors
- Exterior Aluminum storefront, curtainwall framing & doors
- Sectional Overhead doors
- Hardware is by owner allowance

Division 9 – Finishes

- Exterior gyp sheathing on metal stud walls
- Ceramic Tile & Walk-Off mats
- Resilient Athletic Flooring
- Acoustical ceilings and acoustical clouds
- Paint & Vinyl Wall Covering
- Sealed concrete in apparatus bay

Division 10 – Specialties

- Walkway covers and canopies
- Visual display boards and display cases
- Building graphics and signage by owner allowance
- Marquee Sign
- Toilet partitions, toilet accessories, FE & FEC, Knox Box, and mop sinks

Division 11 – Equipment

- Commercial Laundry Equipment
- Residential Appliances

Division 12 – Furnishings

- Standard casework at dorms, day room, offices, breakroom, & workrooms
- Blinds/Shades at exterior windows
- Gear Grid lockers

Division 21 to 28 – MEPT Trades

- Fire sprinkler system
- Plumbing system-
- Mechanical system
- Electrical system
- Alerting System by owner allowance
- Structured Cabling system
- Access Control System
- Fire alarm system
- CCTV & Intrusion alarm systems
- AV and sound systems
- Network equipment and WAPs are excluded

Division 31 to 32 – Earthwork, Site Improvements, & Site Utilities

- Excavate and place select fill per Geo Tech report with standard 5' off-set
- Storm system to tie-in with existing adjacent detention pond
- Termite treatment
- Landscaping
- Irrigation by owner allowance
- Site fencing
- Site utilities

An IMETCO roofing product is also under consideration for this project. This proposal includes a Berridge roof with a 20-year warranty. If the IMETCO 30-year warranty roof by Garland is preferred, the GMP will increase by \$53,100 to a new value of **\$11,485,500**.

We appreciate the opportunity to present this GMP proposal to you. If you have any questions, please do not hesitate to call.

Sincerely,

Kip Glier
Gamma Construction
Project Manager



Exhibit "A" – List of Drawings

BASE BID DRAWINGS ISSUED 5/31/2022:

C001	A801	M211
C002	A802	M212
C003	A803	M213
C004	A901	M501
C004A	A902	M502
C005	A903	M601
C006	S001	M602
C007	S101	E001
C008	S102	EL211
C009	S201	EL212
C010	S202	EP211
C011	S203	EP212
C012	S204	E401
C013	S205	E501
C014	S301	E502
C015	S302	E601
A001	S303	E602
A002	S304	E603
A003	S305	P001
A004	S306-	P211
A101	S401	P212
A201	S402	P213
A202	S403	P301
A203	S404	P401
A301	S405	P402
A302	S501	P501
A401	S502	T001
A402	S503	T211
A501	S504	T212
A506	S505-	T301
A507	S601	T401
A601	S602-	T601
A602	S801-	T602
A701	MEP101	T603
A702	M001	T604



Exhibit "A" List of Drawings Cont'd

ADDENDA #1 DRAWINGS ISSUED 6-10-22:

A201	EP211
A202	EP212
A203	E401
A403	E501
A601	E502
A602	E603
A801	P211
MEP101	P212
EL211	P301

ADDENDA #2 DRAWINGS ISSUED 6-20-22:

A002	EL211
A101	EL212
A901	EP211
MEP101	EP212

ADDENDA #2 DRAWINGS ISSUED 6-22-22:

S201	S306
S202	S403
S203	S404
S204	S502
S205	S505
S303	

ADDENDA #3 DRAWINGS ISSUED 6-22-22:

C003
C005



2808 Joanel Street • Houston, Texas 77027
 Phone: 713-963-0086 • Fax: 713-963-0961

Exhibit "C" - VE List

#	DESCRIPTION	PROPOSED VALUE	ACCEPTED / REJECTED
1	HDPE storm piping in lieu of RCP	(\$17,000)	(17,000)
2	1' wrap stabilize sand material on UG piping in lieu of all the way to paving	(\$14,000)	(14,000)
3	Polished concrete in lieu of tile in apparatus bay... (Sealed Concrete)	(\$100,000)	(100,000)
4	Delete 3D shop drawing from HVAC scope	(\$11,000)	(11,000)
5	Delete Aerus Ionization purifiers	(\$22,100)	(22,100)
6	Delete (9) air hawks with controls	(\$65,600)	REJECTED
7	Delete (4) year parts & labor warranty on all HVAC equipment	(\$6,000)	REJECTED
8	Delete cleaning of duct	(\$7,500)	(7,500)
9	Delete duct leak testing	(\$4,000)	(4,000)
10	Delete insulation of generator O/A duct	(\$7,000)	(7,000)
11	Delete insulation of ALL hot/cold water piping. Insulate first 5' inside exterior walls	(\$4,000)	(4,000)
12	Provide 2 band Anaco no-hub couplings in lieu of (4) band	(\$3,400)	(3,400)
13	Provide Kitz domestic water & gas valves in lieu of Nibco	(\$3,500)	(3,500)
14	Provide Aquaflush flush valves in lieu of aqua advantage	(\$200)	REJECTED
15	SH-1&2 - Provide Symmons in lieu of specified Acorn and Delta (Provide product data)	(\$2,800)	(2,800)
16	Remove Booster Pump in its entirety	(\$30,000)	(30,000)
17	GWH-1- Provide non-ASME heater in lieu of ASME	(\$2,900)	(2,900)
18	Mop sink to be donated by plumber	(\$400)	(400)
19	Provide non-ASME expansion tank in lieu of ASME	(\$1,400)	(1,400)
20	VE lighting package	(\$20,000)	(20,000)
21	Delete lightning protection	(\$18,000)	REJECTED
22	Delete cord reels and replace with cord drops	(\$7,500)	REJECTED
23	Delete load bank on generator	(\$8,000)	REJECTED
24	Delete batteries in "E" fixtures	(\$7,500)	REJECTED
25	Delete "CL" fixtures	(\$8,800)	(8,800)
26	Downsize generator from 250Kw to 125Kw	(\$100,000)	REJECTED
27	Delete commissioning of electrical systems	(\$3,700)	REJECTED
28	IMETCO roof in lieu of specified Garland	(\$95,600)	(95,600)
29	Berridge roof in lieu of VE Item #28 IMETCO roof (Includes Item #28)	(\$92,400)	(92,400)
30	Delete CAD As-Builts	(\$20,000)	(20,000)
31	Delete interior metal wall panels and paint	(\$18,000)	(18,000)
32	Provide Draper manual roller shades in lieu of Mecho Shades	(\$1,500)	(1,500)
33	Provide Saddle, Hill House, Vicinity in lieu of Acacia series floor & wall tile in corridors (Need Samples)	(\$19,000)	HOLD (SAMPLES)
34	Provide Daltile Astronomy series tile in lieu of Portfolio series in restrooms (Need Samples)	(\$5,500)	HOLD (SAMPLES)
35	Provide painted bronze aluminum frame finish in lieu of bronze anodized	(\$1,400)	REJECTED
36	Delete all VWC & replace with standard paint	(\$10,000)	REJECTED
37	Replace ornamental fencing & masonry columns with black vinyl chain link	(\$32,900)	REJECTED
38	Delete build-out of PD side	(\$283,300)	REJECTED
39	Use split-face CMU in lieu of natural stone	(\$36,000)	(36,000)



2808 Joanel Street • Houston, Texas 77027
 Phone: 713-963-0086 • Fax: 713-963-0961

Exhibit "C" - VE List

#	DESCRIPTION	PROPOSED VALUE	ACCEPTED / REJECTED
40	Use alternate Upchurch Kimbrough brick series	(\$11,000)	REJECTED
41	Delete water test on storefront systems	(\$8,900)	(8,900)
42	Remove 10'x10' mock-up of storefront system	(\$7,400)	(7,400)
43	Provide GL5 glass type in lieu of ballistic GL8 glass type	(\$8,600)	REJECTED
44	Reduce Owner's Contingency Allowance to \$100,000	(\$25,000)	REJECTED
45	Reduce Alerting System Allowance to \$50,000	(\$85,000)	(85,000)
46	Delete Monument Sign Masonry (Box on Slab Only)	(\$2,500)	REJECTED
47	Delete PD Drive to Rear of Station and Vehicular Gate	n/a	REJECTED
48	Wood Dumpster Fence in lieu of Masonry	(\$4,600)	REJECTED
49	Delete Bollard Lights	n/a	REJECTED
50	Delete all Mow Strips (Building & Fencing)	(\$10,000)	(10,000)
51	Delete Bollard Covers (Paint Only)	(\$5,000)	(5,000)
52	Sectional Doors with Mid-Glazing in lieu of Bi-folds	(\$85,000)	(85,000)
53	Reduce Bay Lighting by Approximately 40%	(\$6,000)	(6,000)
54	Delete Stainless Steel Counters/Sinks at Patio & Maintenance Bay	(\$6,000)	REJECTED
55	Delete Building/Canopy Storm Tie-ins (Splash blocks Only)	n/a	REJECTED
56	Delete Cantilever Aluminum Canopies above Bay Doors	n/a	REJECTED
57	Delete Aluminum Canopy above Patio	n/a	REJECTED
58	Delete Masonry Screen Walls at Patio	(\$9,800)	REJECTED
59	Delete Dorm Built-in Cabinets (Owner Provided Furniture)	n/a	REJECTED
60	Ceiling Grid/Tile in lieu of Gypsum at Dorms/Restrooms/Dayroom	(\$10,000)	(10,000)
61	Plastic Laminate Counters at all Non-Wet Areas	(\$7,500)	(7,500)
62	Wood LVT Flooring/Rubber Base in lieu of Ceramic Tile	n/a	REJECTED
63	Ceramic Wall Tile at Restrooms to 5' with Painted Gypsum Above	(\$5,000)	(5,000)
64	MC Cable in lieu of EMT rough-in (Excludes CMU walls)	(\$2,000)	REJECTED
65	Standard Color Louvers in lieu of custom colors	(\$2,500)	(2,500)
66	PEX piping in lieu of copper	n/a	REJECTED
67	Utilize wide flange beams in lieu of bar joists	(\$8,000)	(8,000)
TOTALS		(\$1,384,700)	(\$763,600)
		Base Bid	\$12,196,000
		Approved VE	(\$763,600)
		GMP	\$11,432,400
		Pending VE (Item #33 & #34)	(\$24,500)

CITY COMMISSION REGULAR MTG

(9) (f)

Meeting Date: 08/17/2022

TIRZ 1 Annual Report

Submitted For: Jon Branson, Management Services

Submitted By: Rhomari Leigh, City Secretary

Department: Management Services

Information

ACTION REQUEST

Consider and take action on Resolution No. 2022-078, acknowledging the receipt of the 2021 Annual Report for the Tax Increment Reinvestment Zone No. 1 (TIRZ 1) Board. (Management Services)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

Annual Report

Resolution

2021 ANNUAL REPORT

**TAX INCREMENT REINVESTMENT ZONE
NUMBER ONE
TEXAS CITY, TEXAS**



Tax Year Ending December 2021

TABLE OF CONTENTS

City of Texas City, 2021 City Commission	1
TIRZ Board of Directors 2021	2
Description of the Zone	3
Purpose of the Zone.....	5
State of the Zone and Plan Implementation in 2021	7
Revenue.....	7
Expenditures	10
Interest Due on Outstanding Bonds	11
Base Value & Captured Appraised Value	13
Increment Received by Taxing Entities.....	13

LIST OF FIGURES

Figure 1: City of Texas City TIRZ 1 Location Map	3
Figure 2: City of Texas City TIRZ 1 Boundary Map.....	3
Figure 3: Lago Mar Preliminary Concept Plan	5
Figure 4: Lago Mar Conceptual Master Plan-October 2013	6
Figure 5: Commercial and Residential TIRZ Areas.....	7
Figure 6: Location of Proposed TIRZ Improvements	11

LIST OF TABLES

Table A: Participation Schedule Commercial Area	8
Table B: Participation Schedule Residential Area	8
Table C: Base Year Market Value by Jurisdiction.....	9
Table D: Tax Increment Revenue by Year.....	9
Table E: Estimated Project Plan Costs	10
Table F: GCMUD 54 Debt Service Schedule	12
Table G: LMDA Debt Service Schedule.....	12

COMPLIANCE

Texas Tax Code 311.016 (a):	
(1).....	7
(2).....	10
(3).....	11
(4).....	13
(5).....	13

CITY OF TEXAS CITY, TEXAS

2021 CITY COMMISSION

Mayor

Hon. Dedrick Johnson, Sr.

**Commission
Members**

Thelma Bowie
Commissioner At-Large
Mayor Pro-Tem

Hon. Kevin Yackly
Commissioner At-Large

Hon. Keith Henry
Commissioner District 1

Hon. Felix Herrera
Commissioner District 2

Hon. Dorthea Jones Pointer
Commissioner District 3

Hon. Jami Clark
Commissioner District 4

**TAX INCREMENT REINVESTMENT ZONE
NUMBER ONE, CITY OF TEXAS CITY, TEXAS
2021 BOARD OF DIRECTORS**

Position 1	Chris Doyle, Chair Texas City Designee
Position 2	Kyle Dickson College of the Mainland Designee
Position 3	James Torres Texas City Designee
Position 4	Carlos Garza Texas City Designee
Position 5	Rick Wilkenfeld Galveston County Designee
Position 6	Genie Jennings Texas City Designee
Position 7	Hon. Stephen Holmes Galveston County Designee

DESCRIPTION OF ZONE

In accordance with the Tax Increment Financing Act (Chapter 311, Tax Code), Ordinance 06-45 of the City of Texas City, Texas (the “City”) established Reinvestment Zone Number One, City of Texas City, Texas (the “Zone”) on December 20, 2006. The Zone, also known as “The Lago Mar TIRZ”, consists of approximately 3,350 acres located in Galveston County, Texas (the “County”). The Project Plan (the “Plan”) was adopted by City Commission on January 2, 2008 by Ordinance 08-01. In addition to City participation in the Zone, the County and College of the Mainland (the “College”) agreed to participate in the Zone.

To aid and assist in the implementation of the Plan, the City created the Lago Mar Development Authority (the “Authority”), a Local Government Corporation incorporated on July 18, 2007. To further facilitate development within the Zone, the City, the Authority, the TIRZ and Galveston County Municipal Utility District No. 54 (“MUD 54”) entered into an agreement (the “Quad Party Agreement”), effective December 19, 2007, detailing the respective roles and responsibilities of the parties in implementing the Plan. The private sector developer for Lago Mar is Land Tejas Texas City Limited, a Texas Limited Partnership, whose General Partner is Land Tejas Corporation (the “Master Developer”). The Authority and the Master Developer entered into a Master Developer Reimbursement Agreement effective January 3, 2008.

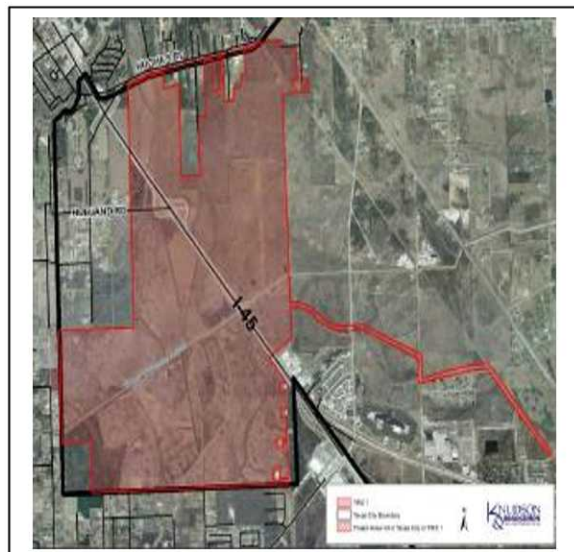
On July 20, 2011, a new agreement was executed between the City, Zone, Authority, MUD 54, Master Developer, and Galveston Premium Outlets LLC (the “Omnibus Agreement”). The Omnibus Agreement modified and amended the terms of the Quad Party Agreement as it relates to the development of the Tanger Outlets Mall projects.

The Zone is situated near the western boundary of Texas City, is bisected by Interstate 45, and at creation was vacant. A map illustrating the location of the Zone within the City follows as Figure 1. Figure 2 depicts the Zone boundary

Figure 1: TIRZ 1 Location Map



Figure 2: TIRZ 1 Boundary Map



Project Plan and Reinvestment Zone Financing Plan Amendment #1

On May 16, 2019, the Board recommended approval of Plan Amendment #1. The amendment was approved by the Texas City City Commission on June 19, 2019. The amendment authorized the modification of the residential base participation rate of each entity for the final 10 years of the Zone from 0% to 40%. This amendment accounted for the nearly 10-year delay in the commencement of residential development in the Zone due to the 2008 housing crisis and recession. The amendment also authorized the addition of a public safety facility as an eligible project cost.

PURPOSE OF ZONE

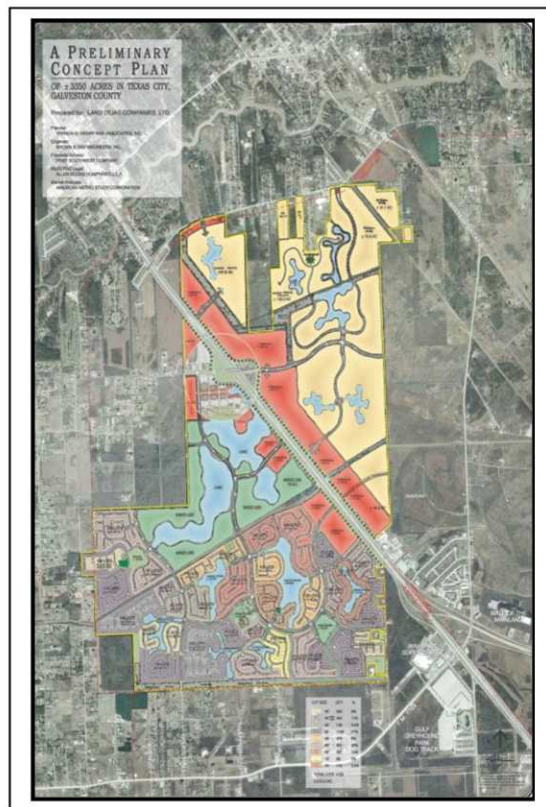
The purpose of the Zone is to facilitate the development of a quality master-planned community, including a large mixed-use component, with amenities and sustainability that will contribute to the growth of the tax base for the City, the County and the College.

The City Commission, in adopting the ordinance creating the Zone, found that the projects described in the Plan provided a focused planning and financing mechanism to promote and monitor this significant development effort to the benefit of all the citizens of the City, individual and corporate, as well as all participating jurisdictions. But for the creation of the Zone and the participating jurisdictions, this area would not likely experience the magnitude of private investment necessary for this property to develop in the proposed manner or to the standards and quality planned in the foreseeable future.

The City Commission further found that improvements in the Zone will enhance the value of all taxable real property within the Zone and will be of general benefit to the City. The methods of financing and the sources of funding available to the Zone, including the participation levels of the entities, are described in the Project Plan and Reinvestment Zone Financing Plan.

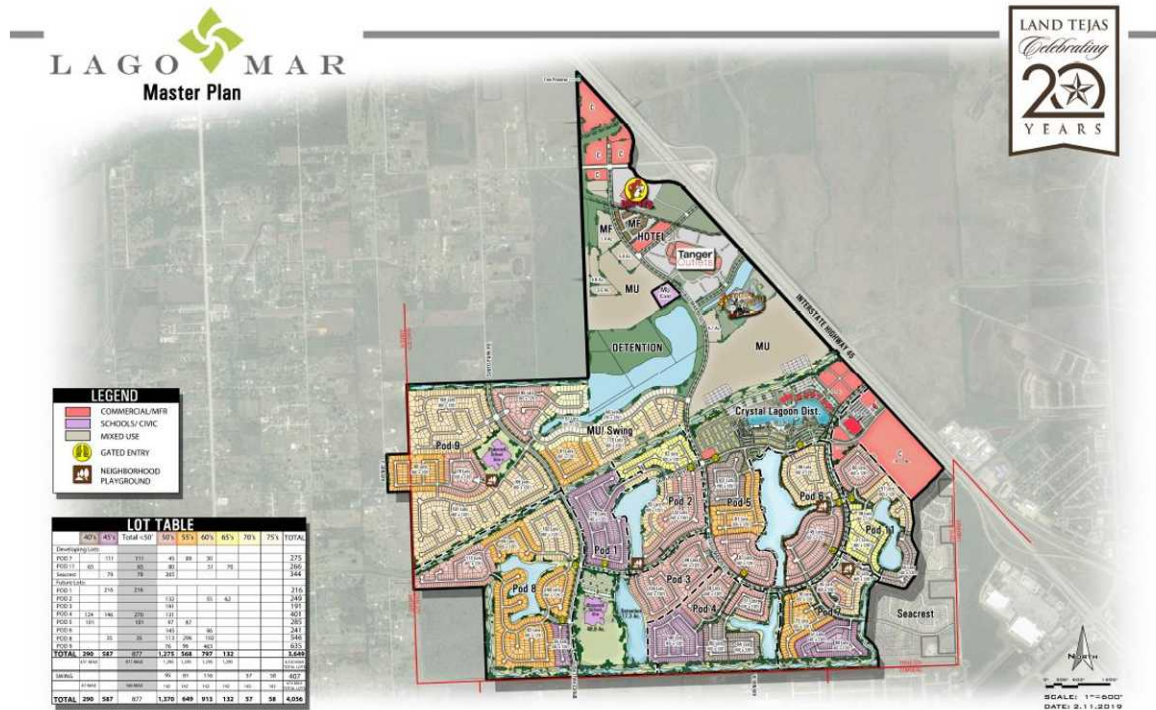
The Preliminary Concept Plan for Lago Mar Master Planned Community is shown below as Figure 3.

Figure 3: Lago Mar Preliminary Concept Plan



As part of the master planning effort, the City and the Master Developer agreed that a mixed-use component to the development would greatly enhance the economic diversification and tax base growth the City is seeking to promote. To that end the Master Developer has put forth a mixed-use concept plan for approximately 898 acres, planned to include large amenity lakes with detention function, trails connecting the mixed-use area to the broader community and a diversity of commercial uses. The mixed-use concept plan follows as Figure 4.

FIGURE 4: Lago Mar Conceptual Master Plan-February 2019



On October 19, 2012, Tanger Factory Outlet Centers held the ribbon cutting and grand opening of the Tanger Outlets Mall, Texas City. The new mall opened with more than 80 brand name and outlet tenants in approximately 350,000 square feet and has become a major tourist attraction. As of December 31, 2021, there are 1,517 completed homes within the Zone.

STATE OF THE ZONE AND PLAN IMPLEMENTATION IN 2021

Revenue

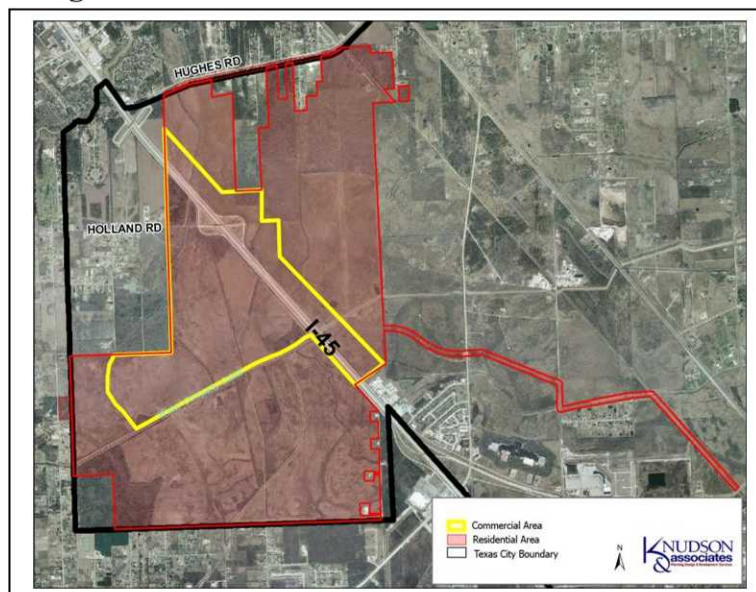
1. The information provided in the section is in accordance with § 311.016 (a) (1) of the Texas Tax Code, which requires inclusion of the amount and source of revenue in the tax increment fund established for the Zone.

In addition to the City's tax increment revenue, interlocal agreements with the County and the College provide for each taxing unit's participation in the Zone. The Plan sets forth a two-tiered participation schedule as follows:

Lago Mar is proposed to be a large master planned community with strong residential and commercial components. The commercial areas of the TIRZ are the very gateway of Texas City and the City seeks to promote the development of these critical areas with a distinctive urban design that establishes a sense of place unique in Galveston County. The City understands that the commercial areas will need time to reach the highest and best uses based on market conditions and to that end the City has proposed and secured a two-tiered participation structure: 100 % participation by the City for 31 years and by the County and the College for 30 years in the commercial area; and 60% for 10 years followed by 40% for 10 years by all entities in the residential areas. (modified by Amendment 1)

The boundaries of the residential and commercial areas within the TIRZ are shown below as Figure 5.

Figure 5: Commercial and Residential TIRZ Areas



Further within the Residential Area the Plan sets forth a performance-based, enhanced level of participation by the City as follows:

In recognizing the reality of market forces, while wishing to foster the highest quality of single family residential possible, the City has established a base participation level and a second performance-based participation level when certain average value per dwelling unit levels are exceeded in the aggregate. The base participation is shown below and will be enacted when the average value of the single family residential is less than \$180,000. The performance-based participation will be enacted when the average value of the single family residential is greater than \$180,000.

Schedules outlining the varying levels and lengths of participation for both the Commercial Area and the Residential Area follow as Table A and Table B respectively.

Table A: Participation Schedule Commercial Area

Jurisdiction	2021 Tax Rate	2020 Tax Rate	2019 Tax Rate	Years	Participation %
Texas City	\$.4900	\$.5100	\$.5400	2007-2037	100%
Galveston County	\$.4245	\$.516137	\$.531898	2008-2037	100%
College of the Mainland	\$.2677	\$.204254	\$.212755	2008-2037	100%

Tax Rate Source: Galveston County Central Appraisal District

Table B: Participation Schedule Residential Area

Jurisdiction	2021 Tax Rate	2020 Tax Rate	2019 Tax Rate	Years	Base Participation %	Performance Based %
Texas City	\$.4900	\$.5100	\$.5400	2007-2016	60%	75%
				2017-2026	40%	50%
				2027-2037(1)	40%	0%
Galveston County	\$.4245	\$.516137	\$.531898	2008-2017	60%	
				2018-2027	40%	n/a
				2028-2037(1)	40%	
College of the Mainland	\$.2677	\$.204254	\$.212755	2008-2017	60%	
				2018-2027	40%	n/a
				2028-2037(1)	40%	

(1) Modified from 0% to 40% by Plan Amendment #1 and related interlocal agreements with Galveston County and College of the Mainland in 2019.

The obligations of the participating taxing jurisdictions, as defined in their respective interlocal agreements, include the timely deposit of tax increment revenue into the City's tax increment revenue fund. Table C below illustrates the growth in appraised value from the base year 2006 compared to the previous 3 years including 2021 for each participating jurisdiction.

Table C: Base Year Market Value by Jurisdiction

COMMERCIAL	TAX YEAR				
Taxing Entity	2006 Base Value (Taxable)	2019 Value (Taxable)	2020 Value (Taxable)	2021 Value (Taxable)	Captured Appraised Value (Increment)
Texas City	\$82,650	\$136,046,160	\$154,074,610	\$180,678,510	\$180,595,860
Galveston County	\$82,650	\$136,046,160	\$154,074,610	\$180,678,510	\$180,595,860
College of the Mainland	\$82,650	\$136,046,160	\$154,074,610	\$180,678,510	\$180,595,860

RESIDENTIAL	TAX YEAR				
Taxing Entity	2006 Base Value (Taxable)	2019 Value (Taxable)	2020 Value (Taxable)	2021 Value (Taxable)	Captured Appraised Value (Increment)
Texas City	\$321,530	\$142,650,113	\$171,493,806	\$318,977,923	\$318,656,393
Galveston County	\$321,530	\$142,650,113	\$171,493,806	\$318,977,923	\$318,656,393
College of the Mainland	\$321,530	\$142,650,113	\$171,493,806	\$318,977,923	\$318,656,393

Table D illustrates the amount of each jurisdiction's incremental revenue to the tax increment fund for the Residential and Commercial Areas for the previous 5 tax years, including 2021.

Table D: Tax Increment Revenue by Year

COMMERCIAL	TAX YEAR				
Taxing Entity	2017	2018	2019	2020	2021
Texas City	\$747,248	\$723,574	\$701,682	\$772,575	\$857,358
Galveston County	\$707,072	\$697,040	\$655,417	\$704,600	\$726,025
County Road & Flood	\$7,448	\$2,719	\$15,256	\$16,318	\$16,727
College of the Mainland	\$280,670	\$279,898	\$265,410	\$366,538	\$468,398
Commercial Total	\$1,742,438	\$1,703,231	\$1,637,765	\$1,860,031	\$2,068,508
RESIDENTIAL	TAX YEAR				
Taxing Entity	2017	2018	2019	2020	2021
Texas City	\$123,704	\$192,942	\$296,534	\$351,145	\$619,897
Galveston County	\$117,001	\$183,886	\$273,451	\$314,983	\$518,131
County Road & Flood	\$1,232	\$715	\$6,319	\$7,225	\$11,855
College of the Mainland	\$46,459	\$74,664	\$111,891	\$166,345	\$338,302
Residential Total	\$288,396	\$452,207	\$688,195	\$839,698	\$1,488,185
Total TIRZ Increment Revenue 2021					\$3,556,693

Expenditures

2. The information provided in this section is in accordance with § 311.016 (a) (2) of the Texas Tax Code, which requires inclusion of the amount and purpose of expenditures from the fund.

In accordance with the Quad Party Agreement and the Omnibus Agreement, the Authority may from time to time contract TIRZ revenue to one or more of the Municipal Utility Districts within the TIRZ boundary to facilitate the financing of TIRZ improvements. Additionally, the Authority may reimburse the Master Developer for improvements and may construct improvements directly from increment revenue or bond issuance.

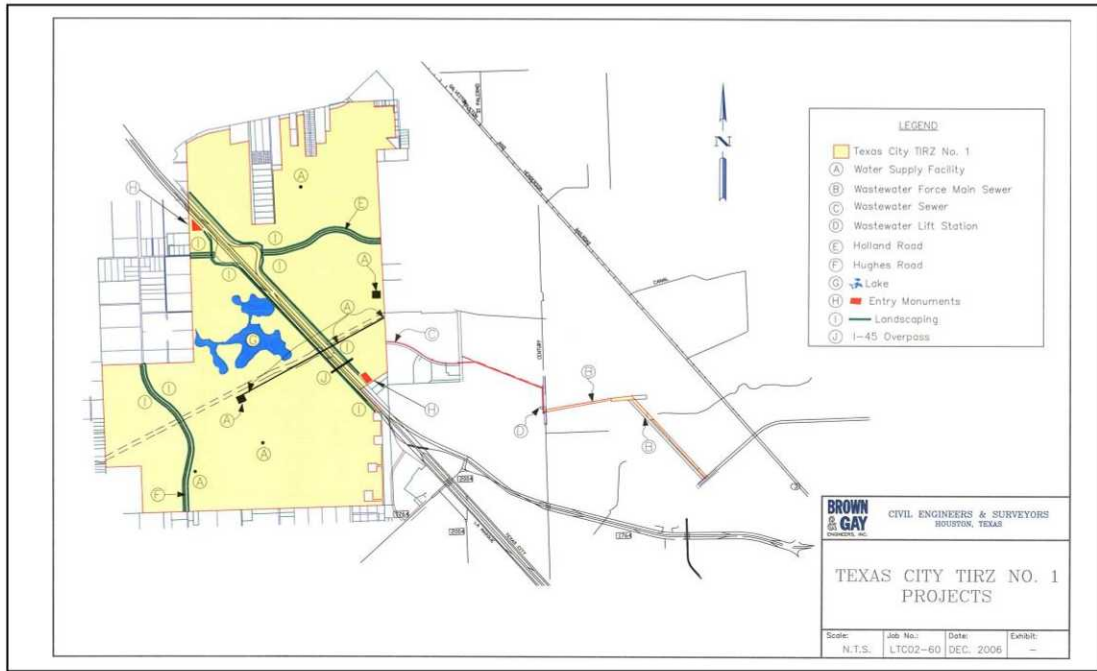
In 2021, the Authority paid \$48,309.39 for legal, accounting/bookkeeping, administrative, and insurance expenses, \$24,173.66 toward the I-45 Branding and Identity Project, and \$555,375 for debt service on the LMDA Series 2020 bonds. Additionally, \$1,626,009.44 was transferred to MUD 54 in accordance with the requirements of the Omnibus Agreement.

Table E: Estimated Project Plan Costs

Estimate of Project Costs	
Project	Estimated Project Cost
Water	
Water Supply Plant	3,469,594
Remote Water Well and Collection Line(s)	1,682,835
Elevated Water Storage Tank(s), Transmission Line(s), and Related Water Plant Items	7,701,308
Water Well(s), Lines, and Related Water Plant Items	7,638,733
Sub-total	20,492,471
Sanitary Sewer	
Wastewater Plant and Related Force Main(s)	1,571,608
Sanitary Sewer Transmission Line(s)	2,468,238
Other Wastewater Projects and Lift Station(s)	2,355,092
Other Force Main(s)	2,519,492
Sub-total	8,914,429
Roadway and Mobility Improvements	
Holland Road Construction and Landscaping	7,447,717
Hughes Road Construction and Landscaping	6,471,177
I-45 / Overpass	5,000,000
I-45 Landscaping	3,901,309
Sub-total	22,820,203
Detention / Retention / Place Making Amenities	
125 ± Acre Lake	28,973,505
Lake Landscaping	2,259,922
Monumentation	2,323,052
Sub-total	33,556,479
Zone Administration	
Legal, Auditing, Planning, Architectural, Engineering, Administration, etc.	2,850,000
Total Estimated Project Costs	88,633,582
<i>Note: It is understood that land costs for major CIP dedications (water plants, water wells, etc.) and professional fees (engineering, planning, architectural, geotechnical, surveying, etc.) are necessary expenses that will be incurred on behalf of the Zone. These fees have been estimated and included in the line-item projections.</i>	

- (1) Project Plan Amendment #1 added a public safety facility with an estimated cost of \$5,000,000.

Figure 6: Location of Proposed TIRZ Improvements



TIRZ Authorized Projects in 2021:

There were no additional TIRZ projects authorized in 2021.

Interest Due on Outstanding Bonds

3. The information provided in this section is in accordance with § 311.016 (a) (3) of the Texas Tax Code, which requires inclusion of the amount of principal and interest due on outstanding bonded indebtedness.

The Omnibus Agreement calls for TIRZ Increment Revenue attributable to land and improvements within MUD 54 to be paid by the Authority annually to cover the debt service on bonds issued by the MUD for TIRZ-eligible improvements until the bonds fully paid. Table F below shows the principal and interest due on all such bonds issued by MUD 54.

Table G below shows the principal and interest due on the direct debt issued by the LMMA.

Table F: GCMUD 54 Debt Service Schedule for TIRZ-Eligible Bonds

Year	Principal	Interest	Total
2022	\$ 675,000	\$ 439,692.50	\$ 1,114,692.50
2023	705,000	419,855.00	1,124,855.00
2024	730,000	398,985.00	1,128,985.00
2025	750,000	381,330.00	1,131,330.00
2026	775,000	363,040.00	1,138,040.00
2027	800,000	343,700.00	1,143,700.00
2028	820,000	323,620.00	1,143,620.00
2029	845,000	302,091.25	1,147,091.25
2030	870,000	278,791.25	1,148,791.25
2031	905,000	253,291.25	1,158,291.25
2032	930,000	226,841.25	1,156,841.25
2033	965,000	199,511.25	1,164,511.25
2034	990,000	170,345.00	1,160,345.00
2035	1,030,000	139,220.00	1,169,220.00
2036	1,065,000	106,920.00	1,171,920.00
2037	1,105,000	71,595.00	1,176,595.00
2038	800,000	34,800.00	834,800.00
Total	\$ 14,760,000	\$ 4,453,628.75	\$ 19,213,628.75

Source: Masterson Advisors

Table G: LMDA Debt Service Schedule

Year	Principal	Interest	Total
2022	\$ 350,000	\$ 199,425.00	\$ 549,425.00
2023	360,000	188,925.00	548,925.00
2024	370,000	178,125.00	548,125.00
2025	385,000	167,025.00	552,025.00
2026	395,000	155,475.00	550,475.00
2027	405,000	143,625.00	548,625.00
2028	420,000	131,475.00	551,475.00
2029	430,000	118,875.00	548,875.00
2030	445,000	105,975.00	550,975.00
2031	455,000	92,625.00	547,625.00
2032	470,000	78,975.00	548,975.00
2033	485,000	64,875.00	549,875.00
2034	500,000	50,325.00	550,325.00
2035	515,000	35,325.00	550,325.00
2036	525,000	23,737.50	548,737.50
2037	530,000	11,925.00	541,925.00
Total	\$ 7,040,000	\$ 1,746,712.50	\$ 8,786,712.50

Source: Masterson Advisors

Base Value & Captured Appraised Value

4. The information provided in this section is in accordance with § 311.016 (a) (4) of the Texas Tax Code, which requires inclusion of the tax increment base and current captured appraised value retained by the Zone.

The captured appraised value of the Zone is the total appraised value of all real property located within the Zone, less the tax increment base value. In each year subsequent to the base year, the Zone will receive tax increment revenue based on ad valorem property taxes levied and collected by each participating taxing unit on the captured appraised value of the Zone.

Base Year:

As of January 1, 2006, the base year for the Zone, the total appraised value of the TIRZ was \$404,180, comprised of \$321,530 for the residential area and \$82,650 for the commercial area.

2021 Total Taxable Value:

On January 1, 2021, the Zone had a total assessed value of \$499,656,433, comprised of \$318,977,923 for the residential area and \$180,678,510 for the commercial area. (See Table C)

2021 Captured Appraised Value:

The total captured appraised value (total taxable value - base year value) as of January 1, 2021 was \$499,255,253, comprised of \$318,656,393 for the residential area and \$180,595,860 for the commercial area. (See Table C.)

Increment Received by Taxing Entities

5. The information provided in this section is in accordance with § 311.016 (a) (5) of the Texas Tax Code, which requires inclusion of the captured appraised value shared by the City and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the Plan.

For Tax Year 2021 the total increment paid into the increment fund was \$3,556,693. (See Table D.)

**TAX INCREMENT REINVESTMENT ZONE NUMBER ONE
TEXAS CITY, TEXAS
2021 ANNUAL REPORT
Tax Year Ending December 31, 2021**

Prepared by Marsh Darcy Partners, Inc.

RESOLUTION NO. 2022-078

A RESOLUTION ACKNOWLEDGING THE RECEIPT OF THE 2021 ANNUAL REPORT FOR THE TAX INCREMENT REINVESTMENT ZONE NUMBER ONE (TIRZ 1) BOARD; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the 2021 Annual Report for Tax Increment Reinvestment Zone Number One (“TIRZ 1”) was reviewed and approved by the Board; and

WHEREAS, the City Commission must acknowledge receipt of the TIRZ 1 report so that it can be forwarded to the Texas Comptroller and Office of the Attorney General, as required under Tax Code §311.016; and

WHEREAS, after acknowledging the receipt of the report, it must also be forwarded to College of the Mainland and Galveston County for their records.

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, Texas, hereby acknowledges the receipt of the 2021 Annual Report for Tax Increment Reinvestment Zone Number One (“TIRZ 1”), as set out on **Exhibit “A”**, attached hereto and incorporated herein for all intents and purposes.

SECTION 2 That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 17th day of August 2022.

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

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney

CITY COMMISSION REGULAR MTG

(10) (a)

Meeting Date: 08/17/2022

Levy Ad Valorem Tax

Submitted For: Laura Boyd, Finance

Submitted By: Laura Boyd, Finance

Department: Finance

Information

ACTION REQUEST

Consider and take action on Ordinance No. 2022-18, levying an ad valorem tax for the year 2022 for the City of Texas City. (Finance)

BACKGROUND (Brief Summary)

Consider approval of an Ordinance levying an ad valorem tax for the year 2022 for the City of Texas City, Texas, at a rate of \$0.49 per \$100 valuation of said property; at the rate of \$0.440064 per \$100 valuation of said property for the current Maintenance and Operations (M&O) expenses of said City; and, at a rate of \$0.049936 per \$100 valuation of said property for Interest and Sinking (I&S) expenses of said City.

The vote on adoption of the tax rate can take place at the same meeting as the public hearing.

Texas Tax Code section 26.06(e) requires the meeting to vote on adoption of the tax rate take place no less than the seventh day after the public hearing.

RECOMMENDATION

Due to anticipated cost increases due to inflation and contractual obligations, management is recommending adopting a tax rate of \$0.49 per \$100 of property value, which is the same as the current rate.

Fiscal Impact

Attachments

Tax Rate 2022

Ordinance

City of Texas City

Property Tax
For Tax Year 2022

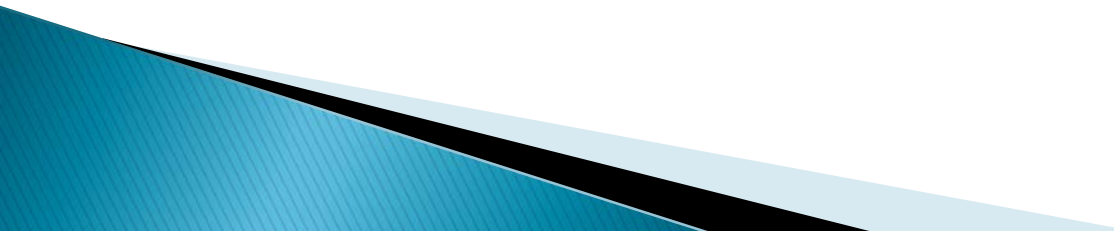
In early July, the City provides to the County Tax Office:

- amount paid to the tax increment zone
- debt service information
- sales tax revenue information

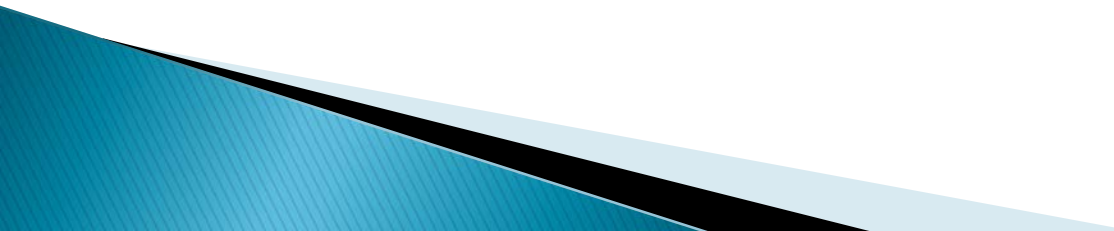
In mid to late July, the Galveston Central Appraisal District issues:

- certified appraisal review board (ARB) approved totals
- under ARB review totals to the taxing entities.

As soon as possible thereafter, the County Tax Office calculates the No-New-Revenue Tax Rate (formerly the effective tax rate) and the Voter Approval Tax Rate (formerly the rollback tax rate).



The No-new-revenue tax rate (NNR) is the total tax rate needed to raise the same amount of property tax revenue for the city from the same properties in both the 2021 tax year and the 2022 tax year.



NNR TAX RATE CALCULATION:

Adjusted 2021 tax levy (per GCTO):	\$27,534,520
<u>2022 Certified Values:</u>	\$7,181,080,240
Less: Tax increment financing	-\$662,722,291
Plus: 80% under ARB review values	+\$178,436,042
Less: Tax ceilings (65 or older or disabled)	<u>-\$418,951,326</u>
<u>2022 Total Taxable Value</u>	\$6,277,842,665
Less: 2022 values of prop. in territory annexed after 1/1/21	-\$0
Less: 2022 values of new improvements	<u>-\$137,669,764</u>
<u>2022 Adjusted Taxable Value</u>	\$6,140,172,901

$$\begin{aligned} \text{2022 NNR Tax Rate: } & \$27,534,520 / \\ & \$6,140,172,901 \times \$100 = \\ & \underline{\underline{\$0.448432 \text{ per } \$100}} \end{aligned}$$

(\$0.041568 less than current rate of \$0.49)

The Voter Approval Tax Rate (VAR) is the highest tax rate that the city may adopt without holding an election to seek voter approval of the rate.

This rate is split into 2 separate rates:

Maintenance & Operations (M&O) rate—rate to raise same amount levied in prior yr + the applicable percentage allowed by law, 3.5%.

Debt rate—rate necessary to pay City's debt payments in the coming year

Voter Approval Tax Rate (VAR):

2022 Debt Tax Rate: \$0.049936 per \$100

2022 VAR (adjusted for sales tax): \$0.555639 per \$100



NO-NEW-REVENUE TAX RATE:

\$0.448432 per \$100 of property value

M&O rate: \$0.398496

Debt (I&S) rate: \$0.049936

VOTER APPROVAL TAX RATE:

\$0.555639 per \$100 of property value

Due to anticipated cost increases due to inflation and contractual obligations, management is recommending a proposed tax rate of \$0.49 per \$100 of property value, which is the same as the current rate.

TAX LEVY CALCULATION:

<u>2022 Certified Values:</u>	\$7,181,080,240
Less: Tax increment financing values	-\$662,722,291
Plus: Under ARB review values	+\$178,436,042
Less: Tax ceilings (65 or older or disabled)	<u>-\$418,951,326</u>
<u>2022 Total Taxable Value</u>	\$6,277,842,665

TAX LEVY W/ PROPOSED RATE:

$$\begin{aligned} \$0.49 \times \$6,277,842,665 / 100 &= \$30,761,430 \\ \text{Plus: ceiling taxes} &\quad \underline{1,258,138} \\ &= \$32,019,568 \end{aligned}$$

$$\begin{aligned} \text{M\&O} &= \$28,756,447 \\ \text{I\&S} &= \$3,263,121 \end{aligned}$$

ORDINANCE NO. 2022-18

AN ORDINANCE LEVYING AN AD VALOREM TAX, BY RECORD VOTE, FOR THE YEAR 2022 FOR THE CITY OF TEXAS CITY, TEXAS, AT A RATE OF \$0.49 PER ONE HUNDRED DOLLAR (\$100.00) VALUATION OF SAID PROPERTY AT THE RATE OF \$0.440064 PER ONE HUNDRED DOLLAR VALUATION OF SAID PROPERTY FOR THE CURRENT MAINTENANCE AND OPERATIONS (M&O) EXPENSES OF SAID CITY AND AT A RATE OF \$0.049936 PER ONE HUNDRED DOLLAR (\$100.00) VALUATION OF SAID PROPERTY FOR INTEREST AND SINKING (I&S) FUND EXPENSES, AND PROVIDING FOR PENALTIES AND INTEREST ON DELINQUENT TAXES. DISPENSING WITH THE CHARTER 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.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF TEXAS CITY, TEXAS:

SECTION 1: That there be and there is hereby levied for the year 2022 on all property, real, personal, and mixed, situated within the territorial limits of the City of Texas City, Texas, on the 1st day of January, 2023, and not exempt by laws from taxation by said City, an ad valorem tax of and at a rate of \$0.49 (49¢) on each one-hundred-dollar (\$100) valuation of said property, which is comprised of the rate of \$0.440064 (44.01¢) on each one-hundred-dollar (\$100) valuation of property for the current general operating expenses of said city and the rate of \$0.049936 (4.99¢) on each one-hundred-dollar (\$100) valuation of property for interest and sinking fund.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 10 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$100.00.

The total tax of \$0.49 (49¢) on each one-hundred-dollar (\$100) valuation of said property levied by this Ordinance is levied at the following respective rates for the purposes hereinabove stated and is to be divided and used accordingly, namely:

At the rate of \$0.440064 (44.01¢) on each one-hundred-dollar (\$100) valuation of property for the current general operating expenses of said City.

At the rate of \$0.049936 (4.99¢) on each one-hundred-dollar (\$100) valuation of property for payment of General Obligation Bonds, Certificates of Obligation, and Qualified Lease Purchase Obligations of said City and the interest of said bonds and obligations.

SECTION 2: Taxes for the year 2022 shall become due and payable as indicated on the tax bill and penalties and interest for delinquent payment shall be assessed in accordance with the Texas Property Tax Code.

SECTION 3: That taxes are to be calculated on the basis of one hundred percent (100%) of assessed value for the 2022 tax year.

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

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

PASSED AND ADOPTED the 17th day of August 2022.

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

ATTEST:

APPROVED AS TO FORM:

Rhomari D. Leigh
City Secretary

Kyle L. Dickson
City Attorney