

CITY OF TEXAS CITY
REGULAR CALLED CITY COMMISSION MEETING

AGENDA

WEDNESDAY, DECEMBER 18, 2024 - 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

Tacarra Creamer	Parks & Recreation	12/08/2014	10 years
Damon McNeel	Library	12/20/1999	25 years
Mickey House	Police	12/27/1994	30 years
Debra McGrew	Police	12/19/1994	30 years
 - (b) Firefighter of the Year 2024 Award Presented to Engineer Brent Black
- (5) PUBLIC COMMENTS
- (6) CONSENT AGENDA
 - (a) Approve City Commission Minutes for the December 4, 2024 meeting. (City Secretary)
 - (b) Consider and take action on Resolution No. 2024-171, approving and awarding a contract for Bid No. 2025-001 Vegetation Management Chemicals Annual Contract. (Public Works)

- (c) Consider and take action on Resolution No. 2024-172, authorizing a fiscal year payment to Badger Meter for wireless cell phone reading of water usage for billing of City Water Customers. (Public Works)
- (d) Consider and take action on Resolution No. 2024-173, authorizing the purchase of bunker gear for the Texas City Fire Department. (Fire)
- (e) Consider and take action on Resolution No. 2024-174, adopting the new City of Texas City Water Conservation and Drought Contingency Plan. (Public Works)
- (f) Consider and take action on Resolution No. 2024-175, authorizing payment to Accurate Utility Supply for the purchase of meters and other related appurtenances. (Public Works)

(7) REGULAR ITEMS

- (a) Consider and take action on Resolution No. 2024-176, authorizing a Waiver of Right to Terminate provision 16.6 of the 312 Tax Abatement Agreement between the City of Texas City and Gulf Coast Ammonia LLC., for failure to place the improvement in service by December 31, 2024. (Management Services)
- (b) Consider and take action on Resolution No. 2024-177, authorizing the Mayor or his designee to enter into a contract with Generocity Services (Choice Partners Contract #23/016MR-17) to replace the original target system and floor at the Criminal Justice Center Indoor Shooting Range. (Public Works)
- (c) Consider and take action on Resolution No. 2024-178, authorizing a Cost of Living Adjustment (COLA) for Non-Civil Service staff. (Finance)
- (d) Consider and take action on Ordinance No. 2024-29, amending the 2024/2025 fiscal year budget to accept and appropriate funds from Lago Mar Development Authority and appropriate funds from the Undesignated Fund Balance Sewer Zone 2. (Finance)
- (e) Consider and take action on Resolution No. 2024-179, ratifying the authorization of payment made for windstorm insurance premiums to the Texas Windstorm Insurance Association (TWIA). (Finance)

(8) COMMISSIONERS' COMMENTS

(9) MAYOR'S COMMENTS

(10) 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 DECEMBER 13, 2024, 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: 12/18/2024

December 2024 Service Awards

Submitted For: Jennifer Price, Human Resources

Submitted By: Susan Sensat, Human Resources

Department: Human Resources

Information

ACTION REQUEST

Service Awards

Tacarra Creamer	Parks & Recreation	12/08/2014	10 years
Damon McNeel	Library	12/20/1999	25 years
Mickey House	Police	12/27/1994	30 years
Debra McGrew	Police	12/19/1994	30 years

BACKGROUND (Brief Summary)

Service Award(s) for the following individual(s) for the month of December is based on their years of service with the City.

RECOMMENDATION

Human Resources recommend approval of the December service awards.

Fiscal Impact

CITY COMMISSION REGULAR MTG

(4) (b)

Meeting Date: 12/18/2024

Fire Chief

Submitted For: Dennis Harris, Fire Department

Submitted By: Dennis Harris, Fire Department

Department: Fire Department

Information

ACTION REQUEST

Please add this to the Service awards.

Brent Black: Firefighter of the Year 2024

BACKGROUND (Brief Summary)

Engineer Brent Black has displayed exemplary service this year and will be named firefighter of the year 2024.

RECOMMENDATION

Firefighter of the Year 2024 Award Engineer Brent Black

Fiscal Impact

CITY COMMISSION REGULAR MTG

(6) (a)

Meeting Date: 12/18/2024

Submitted By: Renee Edgar, City Secretary

Department: City Secretary

Information

ACTION REQUEST

Approve City Commission Minutes for the December 4, 2024 meeting. (City Secretary)

BACKGROUND (Brief Summary)

RECOMMENDATION

Fiscal Impact

Attachments

12/4/2024 Minutes

REGULAR CALLED CITY COMMISSION MEETING

MINUTES

WEDNESDAY, DECEMBER 4, 2024 – 5:00 P.M.
KENNETH T. NUNN COUNCIL ROOM – CITY HALL

A Regular Called Meeting of the City Commission was held on Wednesday, DECEMBER 4, 2024, 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 5:00 p.m. by Mayor Dedrick D. Johnson.

1. ROLL CALL

Present: Dedrick D. Johnson, Mayor
Thelma Bowie, Commissioner At-Large, Mayor Pro Tem
Abel Garza, Jr. , Commissioner At-Large
Keith Love, Commissioner District 2
Chris Sharp, Commissioner District 3
Jami Clark, Commissioner District 4

Absent: DeAndre' Knoxson, Commissioner District 1

2. INVOCATION

Led by Pastor Terry Ray from CrossPoint Community Church.

3. PLEDGE OF ALLEGIANCE

Led by Commissioner District 4, Jami Clark.

4. REPORTS

a. Utilities Customer Service (Water)

Irene Fattig, Customer Service Supervisor, gave a PowerPoint presentation.

5. PUBLIC COMMENTS

The following members of the public requested to address the City Commission: Juan Rodriguez, Reva Rodriguez, and Rachel Ornelas.

6. CONSENT AGENDA

Commissioner District 4, Jami Clark, made a motion to approve Consent Agenda items 6a, b, and c. The motion was seconded by Commission District 3, Chris Sharp.

a. Approve City Commission Minutes for November 20, 2024 meeting. (City Secretary)

Vote: 6 - 0 CARRIED

- b. Consider and take action on Resolution No. 2024-167, authorizing a payment to SirsiDynix for the migration to a company-hosted server for Moore Memorial Public Library's Integrated Library System. (Library)

Vote: 6 - 0 CARRIED

- c. Consider and take action on Resolution No. 2024-168, approving a Development Agreement for the Marlow Lake North Subdivision. (City Engineer)

Vote: 6 - 0 CARRIED

7. REGULAR ITEMS

- a. Consider and take action on the third and final reading of Ordinance No. 2024-27, amending the Texas City Code of Ordinance Title III entitled "Administration," Chapter 37, adding Section 16 - Signatures and seals: electronic, digital, and facsimile. (City Secretary)

Rhomari Leigh, City Secretary, recommends the use and acceptance of electronic, digital, or facsimile signatures for city transactions relating to business, commercial, or governmental affairs in accordance with the city's policies.

Motion by Commissioner At-Large Abel Garza, Jr., Seconded by Commissioner District 4 Jami Clark

Vote: 6 - 0 CARRIED

- b. Consider and take action on Resolution No. 2024-169, approving a letter of agreement for the deposit of funds for the construction of the second phase of a section of the 16-inch force main for the Lago Mar East Subdivision. (City Engineer)

Kim Golden, City Engineer, recommends the approval of the letter agreement for the deposit of funds for the construction of the second phase to serve Lago Mar East.

Motion by Commissioner At-Large Abel Garza, Jr., Seconded by Commissioner District 2 Keith Love

Vote: 6 - 0 CARRIED

- c. Consider and take action on Resolution No. 2024-170, authorizing the City of Texas City to enter into an agreement with Texas-New Mexico to extend underground distribution facilities across Central Park Blvd. (City Engineer)

Kim Golden, City Engineer, recommends the approval of the agreement with Texas-New Mexico for the extension of underground distribution facilities across Central Park Blvd.

Motion by Commissioner At-Large, Mayor Pro Tem Thelma Bowie, Seconded by Commissioner At-Large Abel Garza, Jr.

Vote: 6 - 0 CARRIED

8. COMMISSIONERS' COMMENTS

9. MAYOR'S COMMENTS

An audiovisual recording of this meeting is available on the City's website and retained by the CSO for two years after the date of the adaption of the minutes to which the meeting corresponds.

10. ADJOURNMENT

Having no further business, Commissioner At-Large, Abel Garza, Jr. made a MOTION to ADJOURN at 5:34 p.m.; the motion was SECONDED by Commissioner District 4 Jami Clark. All present voted AYE. MOTION CARRIED.

DEDRICK D. JOHNSON, MAYOR

ATTEST:

Rhomari Leigh, City Secretary
Date Approved:

CITY COMMISSION REGULAR MTG

(6) (b)

Meeting Date: 12/18/2024

2025-001 Vegetation Management Chemicals Annual Contract

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 # 2025-001 Vegetation Management Chemicals Annual Contract.

BACKGROUND (Brief Summary)

On November 1, 2024, and November 8, 2024, a notice to bidders was published in local newspaper and bid packets were made available to local area vendors. Three bids were received and were opened on November 19, 2024, at 10:00 A.M. The lowest responsible bid was received from Orion Solutions, LLC., in Rocky Mount, VA.

As this is an annual contract with no minimum or maximum purchase quantities guaranteed. The quantities listed in the bid documents are for comparison purposes only.

Funds are made available in the City of Texas City 2024/2025 annual budget via account # 101301-53490. A bid tabulation is attached for your review.

RECOMMENDATION

It is the recommendation of the Public Works Department to award Bid # 2025-001 Vegetation Management Chemicals Annual Contract to Orion Solutions, LLC for the unit prices bid, and that the Mayor be authorized to execute a contract on behalf of the City Commission.

Fiscal Impact

Attachments

Exhibit A
Resolution

BID TAB TOTALS

2025-001 VEGETATION MANAGEMENT CHEMICALS

Bid Opening November 19, 2024 at 10:00 a.m.

<u>ITEM</u>	<u>Nutrien Ag Solutions</u>	<u>Orion</u>	<u>Red River</u>
41% Glyphosate 2.5 Gal. Container Unit / Extended	\$42.50 \$2040.00	\$32.48 \$1559.04	\$41.20 \$1977.60
41% Glyphosate 30 Gal. Drum Unit / Extended	\$495.00 \$1980.00	\$382.50 \$1530.00	\$480.00 \$1920.00
Aquatic Glyphosate 2.5 Gal. container Unit / Extended	\$65.00 \$1560.00	\$51.88 \$1245.12	\$62.20 \$1492.80
Aquatic Glyphosate 30 Gal. Drum Unit / Extended	\$750.00 \$1500.00	\$600.00 \$1200.00	\$727.50 \$1455.00
Arsenal 2.5 Gal. Container Unit / Extended	\$140.00 \$1680.00	\$137.00 \$1644.00	\$149.70 \$1796.40
Arsenal 30 Gal. Drum Unit / Extended	\$1680.00 \$1680.00	\$1644.00 \$1644.00	\$1680.00 \$1680.00
Garlon 3-A 2.5 Gal Container Unit / Extended	\$97.00 \$2328.00	\$97.50 \$2340.00	\$106.40 \$2553.60
Garlon 3-A 30 Gal. Drum Unit / Extended	\$1164.00 \$2328.00	\$1125.00 \$2250.00	\$1260.00 \$2520.00
Plateau 1 Gal. Unit / Extended	\$120.00 \$480.00	\$103.00 \$412.00	\$107.30 \$429.20
Oust 3 LB Container Unit / Extended	\$111.00 \$222.00	\$76.50 \$153.00	\$76.80 \$153.60

BID TAB TOTALS

2025-001 VEGETATION MANAGEMENT CHEMICALS

Bid Opening November 19, 2024 at 10:00 a.m.

<u>ITEM</u>	<u>Nutrien Ag Solutions</u>	<u>Orion</u>	<u>Red River</u>
Surfactant 2.5 Gal. Container Unit / Extended	\$30.00 \$720.00	\$24.95 \$598.80	\$29.95 \$718.80
Surfactant 30 Gal. Drum Unit / Extended	\$480.00 \$960.00	\$285.00 \$570.00	\$352.80 \$705.60
Aquatic Surfactant 2.5 Gal. Container Unit / Extended	\$30.00 \$120.00	\$40.00 \$160.00	\$29.95 \$119.80
Nu Film – IR 2.5 Gal. Container Unit / Extended	\$112.50 \$900.00	\$60.00 \$480.00	\$126.85 \$1014.80
Drift Control Per Quart Unit / Extended	\$13.00 \$260.00	\$18.00 \$360.00	\$9.36 \$187.20
Drift Control Per Gallon Unit / Extended	\$61.50 \$307.50	\$38.00 \$190.00	\$28.32 \$141.60
Tank Cleaner Per Gallon Unit / Extended	\$37.00 \$370.00	\$29.00 \$290.00	\$25.48 \$254.80
Marking Dye Per Gallon Unit / Extended	\$40.00 \$400.00	\$19.50 \$195.00	\$22.40 \$224.00
Marking Dye 2.5 Gallon Container Unit / Extended	\$87.50 \$350.00	\$49.50 \$198.00	\$44.70 \$178.80
Reward Per Gallon Unit / Extended	\$60.00 \$60.00	\$58.00 \$58.00	\$47.96 \$47.96
TOTAL EXTENDED	\$18,745.50	\$17,076.96	\$19,571.56

RESOLUTION NO. 2024-171

**A RESOLUTION APPROVING AND AWARDDING BID NO. 2025-001
VEGETATION MANAGEMENT CHEMICALS ANNUAL CONTRACT;
AND PROVIDING THAT THIS RESOLUTION SHALL BECOME
EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.**

WHEREAS, on November 1, 2024, and November 8, 2024, a notice to bidders was published in a local newspaper, and bid packets were made available to local area vendors; and

WHEREAS, bids were received and were opened on November 19, 2024. The lowest responsible bid was received from Orion Solutions, LLC., of Rocky Mount, Virginia.

WHEREAS, funds are made available in the adopted City of Texas City 2024/2025 fiscal year budget.

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 with Orion Solutions, LLC. for Bid No. 2025-001 Vegetation Management Chemicals Annual Contract.

SECTION 2: That the Mayor is hereby authorized to enter into a contract with Orion Solutions, LLC. for the respective unit price bid in **Exhibit “A,”** as attached hereto an incorporated herein for all intents 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 18th day of December 2024.

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

CITY COMMISSION REGULAR MTG

(6) (c)

Meeting Date: 12/18/2024

Cell Phone fees for automated meter reading of customer water usage

Submitted For: Dj Hutchinson, Public Works **Submitted By:** Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

The COTC Utilities Department is seeking Commission approval for payment up to \$225,000.00 to Badger Meter for wireless cell phone reading of water usage for billing of City Water Customers. This is a proprietary item with Badger being the sole-source vendor.

BACKGROUND (Brief Summary)

The City's water meters are automatically read using cellular technology. Each meter calls the network host once per day to transfer the data. For this service, the City is charged \$0.89 per meter every month. As the City adds meters, this number increases each month, therefore an exact amount cannot be determined at this time. It is estimated this cost will not exceed \$225,000 for the fiscal year.

Funds for this purchase are budgeted in Account No. 501701 5320.

RECOMMENDATION

It is the recommendation of the Utilities Department that the Mayor and City Commission approve this agenda item.

Fiscal Impact

Attachments

Resolution

RESOLUTION NO. 2024-172

A RESOLUTION AUTHORIZING A FISCAL YEAR PAYMENT TO BADGER METER FOR WIRELESS CELL PHONE READING OF WATER USAGE FOR BILLING OF CITY WATER CUSTOMERS; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City's water meters are automatically read using cellular technology. Each meter calls the network host once per day to transfer the data; and

WHEREAS, for this service, the City is charged \$0.89 per meter every month; and

WHEREAS, as the City adds meters, this number increases each month; therefore, an exact amount cannot be determined at this time. It is estimated that this cost will not exceed \$225,000.00 for the fiscal year.

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

SECTION 1: That the City Commission authorizes a fiscal year payment to Badger Meter for wireless cell phone reading of water usage for billing of City Water Customers.

SECTION 2: That it is estimated this cost will not exceed \$225,000.00 for the fiscal year. Funds for this purchase are budgeted in Account No. 501-701-5320.

PASSED AND ADOPTED this 18th day of December 2024.

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

CITY COMMISSION REGULAR MTG

(6) (d)

Meeting Date: 12/18/2024

Texas City Bunker Gear Purchase

Submitted For: Mathew Wyatt, Fire Department

Submitted By: Mathew Wyatt, Fire Department

Department: Fire Department

Information

ACTION REQUEST

Approve the purchase of bunker gear for the Texas City Fire Department to address current operational needs and maintain sufficient stock levels to ensure continued operational readiness.

BACKGROUND (Brief Summary)

The Texas City Fire Department regularly evaluates and updates its bunker gear inventory to ensure the safety and preparedness of its personnel. Current assessments indicate a need to replenish stock to meet immediate operational requirements and maintain adequate reserves. This purchase aligns with the department's commitment to providing firefighters with essential protective equipment, ensuring compliance with safety standards, and sustaining operational readiness during emergencies.

RECOMMENDATION

The Texas City Fire Department recommends approval of the purchase of bunker gear to address current shortages and ensure adequate stock levels. This action will enhance operational readiness, comply with safety standards, and support the department's commitment to firefighter safety and preparedness.

Fiscal Impact

Funds Available Y/N: Y

Amount Requested: 54,660.00

Source of Funds: Fire Department's operating budget

Account #: 10120252060

Fiscal Impact:

2025 Bunker Gear Procurement and Replenishment

Attachments

TCFD Gear Quote

Resolution

Sales Quote

QUOTE-3822



August 8, 2024

Bill To Address

Texas City Fire Department
1801 9th Avenue North
Texas City, TX 77590
USA

Ship-to Address

Texas City Fire Department
1801 9th Avenue North
Texas City, TX 77590
USA

Delta Fire & Safety Inc.

3159 Summit Dr.
Port Neches, TX 77651

Valid to

September 7, 2024

Salesperson

Paul Brown

Contract

HGAC CONTRACT EP11-20

No.	Description	Quantity	Unit Price	Line Amount
HONEYWELL	TXTEXC00063 MONRING PRIDE BUNKER COAT MPE TO TEXAS CITY SPEC	18	\$1,790.00	\$32,220.00
HONEYWELL	TXTEXC00054 MORNING PRIDE BUNKER PANT LTO TO TEXAS CITY SPEC	20	\$1,122.00	\$22,440.00
Subtotal				54,660.00
Total Tax				0.00
Freight: Shipping & Handling charges - Pre-Pay and Add; Charges to be added to final invoice				Total \$ 54,660.00

RESOLUTION NO. 2024-173

A RESOLUTION AUTHORIZING THE PURCHASE OF BUNKER GEAR FOR THE TEXAS CITY FIRE DEPARTMENT; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the Texas City Fire Department regularly evaluates and updates its bunker gear inventory to ensure the safety and preparedness of its personnel; and

WHEREAS, current assessments indicate a need to replenish stock to meet immediate operational requirements and maintain adequate reserves. This purchase aligns with the department's commitment to providing firefighters with essential protective equipment, ensuring compliance with safety standards, and sustaining operational readiness during emergencies, and is not to exceed \$54,660.00; and

WHEREAS, funds are available in the City of Texas City's adopted 2024/2025 fiscal year budget.

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

SECTION 1: That the City Commission hereby approves the purchase of bunker gear for the Texas City Fire Department in an amount not to exceed \$54,660.00.

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

PASSED AND ADOPTED this 18th day of December 2024.

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

CITY COMMISSION REGULAR MTG

(6) (e)

Meeting Date: 12/18/2024

Utilities Department - COTC - WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN

Submitted For: Dj Hutchinson, Public Works

Submitted By: Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

The Utilities Department is requesting the Mayor and City Commission to approve and adopt the new City Of Texas City, Water Conservation And Drought Contingency Plan. (see Exhibit A for details)

BACKGROUND (Brief Summary)

The City of Texas City has implemented this water conservation plan in accordance with The Texas Commission on Environmental Quality (TCEQ), Texas Administrative Code, Title 30, Chapter 288 and has followed these guidelines set forth by the TCEQ in preparing this document for municipal use.

RECOMMENDATION

The Utilities Department recommends that the Mayor and City Commission adopt the 2024 City Of Texas City, Water Conservation And Drought Contingency Plan.

Fiscal Impact

Attachments

Resolution
EXHIBIT A

RESOLUTION NO. 2024-174

A RESOLUTION ADOPTING THE NEW CITY OF TEXAS CITY WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Texas City wants to prepare for a possible drought in the future; and

WHEREAS, the City of Texas City has created this water conservation plan in accordance with The Texas Commission on Environmental Quality (TCEQ), Texas Administrative Code, Title 30, Chapter 288 and has followed these guidelines set forth by the TCEQ in preparing this document for municipal use.

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

SECTION 1: That the City Commission hereby approves the water conservation plan as submitted by the Utilities Department.

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

PASSED AND ADOPTED this 18th day of December 2024.

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



City of Texas City
**WATER CONSERVATION
AND DROUGHT
CONTINGENCY PLAN**

Year 2024 Update

Prepared By:
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7322 Southwest Freeway, Suite 1040
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TX PE Firm No. 13872
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(713)- 400-2754 fax
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**Water Conservation Plan
City of Texas City, Texas
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 - 6.1 Water Source Metering
 - 6.2 Universal Metering and Meter Testing/ Replacement
 - 6.3 Determination and Control of Water Loss
 - 6.4 Public Education
 - 6.5 Conservation Water Rate Structure
 - 6.6 Implementation and Enforcement
 - 6.7 Leak Detection and Repair
 - 6.8 Reservoir Systems Operations Plan
 - 6.9 Wholesale Water Supply Contracts
 - 6.10 Water Reuse / Recycling
 - 6.11 Water Conservation Plumbing fixtures
 - 6.12 Water Conservation Landscaping
- 7.0 Plan Review and Update

APPENDICES

- APPENDIX A Texas City Water Utility Profile Data (Submitted Online)
- APPENDIX B Texas City Water Rates
- APPENDIX C Copy of Letter Sent to TWDB Region H Water Planning Group

SECTION 1 - WATER CONSERVATION PLAN

1.0 Introduction

The City of Texas City has implemented this water conservation plan in accordance with The Texas Commission on Environmental Quality (TCEQ), Texas Administrative Code, Title 30, Chapter 288. The provisions of chapter 288 requires The City of Texas City to develop, submit, and implement a water conservation plan to minimize municipal water use through implementation of efficient water use practices. The City of Texas City has followed these guidelines set forth by the TCEQ in preparing this document for municipal uses.

The TCEQ requires a water conservation plan to include the following:

- Utility Profile form completed (See Appendix A)
- Record management system for water sales and uses (Section 3.0)
- Water conservation goals with specific 5 and 10 year targets (Section 4.0)
- Metering devices within an accuracy of plus or minus 5.0% (Section 6.1 and 6.2)
- Program for universal metering (Section 6.1 and 6.2)
- Measures to determine and control water loss (Section 6.3)
- Continuing public education and information program (Section 6.4)
- Non-promotional water rate structure (Section 6.5)
- Reservoir systems operations plan, if applicable (Section 6.8)
- Means of implementation and enforcement of the plan (Section 6.6)
- Coordination with the regional water planning group (Section 5.0)
- Plan Review and Update (Section 7.0)

Additional water conservation strategies may be implemented in order to achieve the stated water conservation goals of the plan.

2.0 Texas City Utility Profile

Utility profile data for The City of Texas City is provided in **Appendix A**. Appendix A includes data regarding existing and projected population, number of connections, water production, metered water usage, and other utility system information.

3.0 Record Management System

The City of Texas City records water use on a monthly basis coinciding with the billing cycle. The City meters and records water use under the following categories: single family residential, multi-family residential, industrial, commercial, institutional, and agricultural.

4.0 Water Conservation Goals and Targets

The goal of the Plan is to continue to reduce the quantity of water consumed per-capita and to continue to reduce unaccounted water loss. The plan includes strategies to reduce per-capita water consumption of its citizens and City facilities by using water conserving fixtures and by encouraging conservation habits.

If the goals are attained, it should reduce the City's seasonal water consumption peaks and assist the City to stay within its water supply contract obligations. The city has a surface water supply contract (**11.505 MGD**) with the Gulf Coast Water Authority for the purchase of treated surface water supply from the GCWA's Thomas S. Mackey Water Treatment Plant in Texas City.

The demand reduction goals developed in this plan are shown on Table 4.1 below. Included in the table are the projected five (5) and ten (10) year goals for reducing water consumption and system leakage

Table 4.1: Projected Water Conservation Goals for the 5-year and 10-year period

Description	Units	2023 Actual	2029 Projected	2034 Projected
Population		58,435	63,571	68194
Per Capital Water Use Goals:	Gallons per Day per Capita	140	139	138
Unaccounted-for Water Loss	Percent (%)	8.1%	8%	8%

5.0 Coordination with the Regional Water Planning Groups

The service area of Texas City is located within the Texas Water Development Board's Houston Regional Water Planning Area (Region H) and the City has provided a copy of this Plan to TWDB Region H. A copy of the cover letter is shown in Appendix C.

6.0 Water Conservation Plan Elements

6.1 Water Source Metering

The City of Texas City has a contract to purchase surface water supplies from the Gulf Coast Water Authority (GCWA). This surface water is treated and produced by the GCWA-operated Thomas Mackey Surface Water Treatment Plant located in Texas City. In case of a water supply emergency, the City utilizes its own eleven (11) ground water supply wells with a total capacity of approximately 7,500 gallons per minute (gpm) to supplement the surface water supply. The City provides all its water to customers on a supply and demand basis. The GCWA meters the water produced at the surface water treatment plant and delivered to the City of Texas City; and the City meters flow from each of its ground water supply wells. Annual water well usage is reported to the Harris-Galveston Coastal Subsidence District.

6.2 Universal Metering and Meter Testing/ Replacement

Metering the amount of water being used by customers is an essential part of any water utility. Metering accounts for the amount of water being used and also helps to curb the misuse of water. All customer water use is metered, and it is unlawful to use water from the City's water supply without it being metered by a City-owned water meter.

Currently in place at the City is a regularly scheduled maintenance program of water meter testing, repair, and replacement in accordance with the following time intervals:

- Water Well Production meters and the GCWA surface water supply master meters are tested once per year.
- Customer meters larger than three inches are tested once per year.
- Customer meters larger than one inch, but less than three-inch are tested once every three years.
- Meters one inch and smaller are tested once every five years.

The City typically replaces small residential meters based on abnormally high or low registered water usage, feedback from meter readers, and when the meter register appears broken or damaged.

6.3 Determination and Control of Water Loss

Unaccounted-for water is the difference in volume between the water produced at the water production plants and the water measured at the point of delivery to water users. Unaccounted-for water can include several categories:

- Inaccuracies in meters.

- Water service meters to customers which are in use but are not in the billing & accounting system by error.
- Losses due to water main breaks and leaks in the water distribution system.
- Losses due to illegal connections and theft.
- Unmetered water used for fire fighting.

Measures to control unaccounted-for water are part of the routine operations of City maintenance personnel. Maintenance crews and personnel are asked to look for and report evidence of leaks in the water distribution system. The leak detection and repair program is described in Section 6.7. Meter readers are asked to watch out for and report signs of illegal connections, so they can be addressed quickly.

With the measures described in this plan, The City of Texas City intends to reduce water loss. The annual TWDB Water Use Survey and Water Loss Audit reports are tools used by the City to monitor water loss.

6.4 Public Education

In recognition of public participation in water conservation, City water users will be provided materials on methods to save water. The City of Texas City will provide public education programs using one or more of the following methods:

- Quarterly direct mailings of brochures or newsletters concerning the Water Conservation Plan to users (the first distribution will describe the plan and provide in detail). Future mailouts will describe conservation tips for outdoors and irrigation usage; indoor and retrofitting water conservation devices for all water fixtures.
- Public and civic organization meetings;
- Published newspaper articles concerning water conservation (published before the City's high usage season);
- Posters and public displays;
- School programs, book cover distribution;
- New customer water conservation package to be given to new customers upon new service installation. Contents to include water conservation tips and description of retrofitted water conserving devices to house plumbing. This package will also be provided to customers that complains of high water usage.
- Conservation literature and brochures will be displayed at the Customer Service office, and Cashier windows at the Utilities Department office.

6.5 Conservation Water Rate Structure

The City maintains a conservation-oriented water rate structure. The schedule of monthly rates and charges for water services furnished by the City to its water customers is summarized as follows (as of April 1, 2024):

Base Rate up to 3,000 gallons:

5/8-inch meter	\$ 8.75
3/4-inch meter	\$ 9.43
1-inch meter	\$10.08
1 ½-inch meter	\$15.28
2-inch meter	\$28.28
3-inch meter	\$49.08
4-inch meter	\$95.88
6-inch meter	\$189.48
8-inch meter	\$280.48
10-inch meter	\$370.18

For additional incremental usage for **Residential & Agricultural** Customers:

4,000 – 9,999 gallons.....	\$ 4.00 per 1,000 gallons
10,000 – 24,999 gallons.....	\$ 6.00 per 1,000 gallons
25,000 and up.....	\$ 8.00 per 1,000 gallons

For additional incremental usage for **Commercial/Industrial/Institutional** Customers:

4,000 – 24,999 gallons.....	\$ 6.00 per 1,000 gallons
25,000 – 49,999 gallons.....	\$ 8.00 per 1,000 gallons
50,000 and up.....	\$ 10.00 per 1,000 gallons

6.6 Implementation and Enforcement

The City will be responsible for implementation and administration of the water conservation plan. The City will:

- Oversee the execution and administration of the plan elements.
- Supervise the keeping of records for program verification and to assess the program effectiveness.
- Make recommendations for changes in the water conservation plan elements and shall submit those amendments to the plan to the Texas Commission on Environmental Quality and/or Texas Water Development Board (as required) within 90 days after adoption.

6.7 Leak Detection and Repair

The City is responsible for the water distribution system, and monitors water consumption. City personnel are on watch for water leaks, defective fire hydrants, abandoned services, and unmetered water usage. The City will estimate water used for line flushing and other municipal uses. The City will watch for inaccurate or leaking meters, unauthorized connections, and unauthorized use of fire hydrants. Once water leaks are detected, corrective repairs will be undertaken in a timely manner.

6.8 Reservoir System Operations Plan

The City of Texas City does not operate any reservoirs at the present time.

6.9 Wholesale Water Supply Contracts

Every contract for wholesale water by Texas City that is entered into, renewed, or extended after the adoption of this water conservation and drought contingency plan will include a requirement that the wholesale customer and any wholesale customers of that wholesale customer develop and implement a water conservation plan meeting the requirements of Title 30, Part 1, Chapter 288, Subchapter A, Rule 228.2 of the Texas Administrative Code. The requirement will also extend to each successive wholesale customer in the resale of the water.

6.10 Water Reuse / Recycling

The City reuses water at its wastewater treatment plant for various process water needs (belt filter press, chemical feed, spraying, etc.) The City currently does not recycle treated wastewater effluent to customers at the present time.

6.11 Water Conservation Plumbing Fixtures

The City will make information available through its public education program (Section 6.4) for plumbers and customers to utilize when purchasing and installing plumbing fixtures, lawn watering equipment or water using appliances. Information regarding retrofit devices, such as low-flow showerheads or toilet dams that reduce water usage by replacing or modifying existing fixtures or appliances are provided.

The City will also encourage the use of the following water conserving devices:

- Toilet displacement bottles
- Water closet dams
- Flow restrictors
- Reduced flow shower heads
- Shower cutoff valves

- Faucet aerators
- Pipe insulation

6.12 Water Conservation Landscaping

When issuing building permits, the City will encourage:

- Landscape architects to recommend low watering-need plants and grasses, as well as timed irrigation systems in preparing a site and facility plans.
- Nurseries and local businesses to suggest plants and grasses that require little watering and, including efficient landscape watering devices.
- Residential property owners to require sprinkler system companies to design and construct water conserving systems.

In order to reduce demand on the City's water system by landscape watering, the City encourages:

- Irrigation contractors to use drip irrigation systems when possible and to design all irrigation systems with water conservation features, such as sprinklers that emit large drops rather than a fine mist and a sprinkler layout that accommodates prevailing wind direction.
- Commercial establishments to use drip irrigation for landscape watering when possible and to install only ornamental fountains that recycles and uses the minimum amount of water.
- Prohibiting irrigation systems that spray directly onto impervious surfaces or onto other non-irrigated areas.
- Requirements that all new irrigation systems be in compliance with state design and installation regulations (TAC Title 30, Part 1, Chapter 344).

7.0 Plan Review and Update

The next scheduled update of the City of Texas City's Water Conservation Plan is May 1st of 2029.

APPENDIX A
UTILITY PROFILE

City of Texas City 2024 Water Conservation Plan Update

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

CONTACT INFORMATION

Name of Utility:

Public Water Supply Identification Number (PWS ID):

Certificate of Convenience and Necessity (CCN) Number:

Surface Water Right ID Number:

Wastewater ID Number:

Contact: First Name: Last Name:

Title:

Address: City: State:

Zip Code: Zip+4: Email:

Telephone Number: Date:

Is this person the designated Conservation Coordinator? Yes No

Regional Water Planning Group:

Groundwater Conservation District:

Our records indicate that you:

- Received financial assistance of \$500,000 or more from TWDB
- Have 3,300 or more retail connections
- Have a surface water right with TCEQ

A. Population and Service Area Data

1. Current service area size in square miles:

Attached file(s):

File Name	File Description
Texas City Water Map-Model.pdf	City of Texas City Overall Water System Map
Water Schematic Texas City R1-Model.pdf	City of Texas City Water System Schematic

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. Historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Water Service
2023	58,435	0	58,435
2022	54,247	0	54,247
2021	52,500	0	52,500
2020	49,000	0	49,000
2019	49,000	0	49,000

3. Projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Water Service
2030	64,470	0	64,470
2040	74,188	0	74,188
2050	85,372	0	85,372
2060	98,241	0	98,241
2070	113,051	0	113,051

4. Described source(s)/method(s) for estimating current and projected populations.

US Census Data from 2010 to 2020 percent annual growth projected, starting at year 2023 Baseline, out to 2070.

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

B. System Input

System input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Water Produced in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2023	0	2,982,079,000	0	2,982,079,000	140
2022	0	2,777,379,000	0	2,777,379,000	140
2021	0	2,313,191,000	0	2,313,191,000	121
2020	0	2,337,360,000	0	2,337,360,000	131
2019	0	2,242,003,000	0	2,242,003,000	125
Historic Average	0	2,530,402,400	0	2,530,402,400	131

C. Water Supply System

Attached file(s):

File Name	File Description
Water Schematic Texas City R1-Model.pdf	Water Supply Schematic City of Texas City

1. Designed daily capacity of system in gallons 23,637,000
2. Storage Capacity
 - 2a. Elevated storage in gallons: 3,850,000
 - 2b. Ground storage in gallons: 5,180,000

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Projected Demands

1. The estimated water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demand (gallons)
2025	60,099	3,071,070,411
2026	60,949	3,114,495,347
2027	61,810	3,158,534,311
2028	62,684	3,203,195,986
2029	63,571	3,225,285,683
2030	64,470	3,270,891,223
2031	65,381	3,317,141,625
2032	66,306	3,339,844,238
2033	67,243	3,387,069,635
2034	68,194	3,434,962,800

2. Description of source data and how projected water demands were determined.

Baseline per capita usage is projected to be 140 gallons per capita per day in 2025, tapering down to 138 gallons per capita per day in 2034.

E. High Volume Customers

1. The annual water use for the five highest volume **RETAIL** customers.

Customer	Water Use Category	Annual Water Use	Treated or Raw
International Specialty Products	Industrial	107,460,000	Treated
Blanchard Refinery (Marathon)	Industrial	96,100,000	Treated
Dow (former Union Carbide)	Industrial	67,533,000	Treated
Texas City Terminal Railway Co.	Industrial	62,206,000	Treated
Ineo US Chemical Company	Industrial	27,459,000	Treated

2. The annual water use for the five highest volume **WHOLESALE** customers.

Customer	Water Use Category	Annual Water Use	Treated or Raw
----------	--------------------	------------------	----------------

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

F. Utility Data Comment Section

Additional comments about utility data.

Section II: System Data

A. Retail Water Supplier Connections

1. List of active retail connections by major water use category.

Water Use Category Type	Total Retail Connections (Active + Inactive)	Percent of Total Connections
Residential - Single Family	17,183	91.29 %
Residential - Multi-Family	166	0.88 %
Industrial	67	0.36 %
Commercial	1,159	6.16 %
Institutional	215	1.14 %
Agricultural	32	0.17 %
Total	18,822	100.00 %

2. Net number of new retail connections by water use category for the previous five years.

Net Number of New Retail Connections							
Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2023	420			48			468
2022	398		4	145	2		549
2021	697	22	17	15	10	12	773
2020	601						601
2019	407						407

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

B. Accounting Data

The previous five years' gallons of RETAIL water provided in each major water use category.

Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2023	1,066,435,000	280,157,000	409,725,000	380,337,000	127,491,000	1,677,000	2,265,822,000
2022	928,591,000	257,938,000	349,733,000	203,871,000	160,077,000	1,082,000	1,901,292,000
2021	831,538,000	251,098,000	373,693,000	196,536,000	130,419,000	962,000	1,784,246,000
2020	820,031,000	237,369,000	317,223,000	196,306,000	148,075,000	1,089,000	1,720,093,000
2019	759,050,000	232,711,000	215,972,000	202,112,000	141,517,000	1,232,000	1,552,594,000

C. Residential Water Use

The previous five years residential GPCD for single family and multi-family units.

Year	Total Residential GPCD
2023	63
2022	60
2021	56
2020	59
2019	55
Historic Average	59

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

D. Annual and Seasonal Water Use

1. The previous five years' gallons of treated water provided to RETAIL customers.

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January	227,777,000	180,911,000	173,441,800	173,450,000	181,554,000
February	200,904,000	164,509,000	196,675,000	176,536,600	182,467,000
March	229,232,000	194,290,000	182,268,900	196,606,500	197,091,000
April	222,130,000	220,325,000	182,150,100	199,105,500	197,247,000
May	235,931,000	251,291,000	190,958,000	197,564,400	196,793,000
June	257,766,000	261,103,000	199,071,000	218,001,400	188,418,000
July	290,580,000	298,924,000	200,867,000	219,520,200	200,861,000
August	325,872,000	273,748,000	216,486,000	221,993,500	191,246,000
September	280,010,000	237,375,000	204,603,100	199,533,500	186,901,000
October	258,729,000	227,869,000	204,004,900	194,661,000	181,933,000
November	227,231,000	205,769,000	193,793,000	186,129,100	167,056,000
December	225,917,000	261,265,000	186,271,000	181,322,700	170,009,000
Total	2,982,079,000	2,777,379,000	2,330,589,800	2,364,424,400	2,241,576,000

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. The previous five years' gallons of raw water provided to RETAIL customers.

Month	Total Gallons of Raw Water				
	2023	2022	2021	2020	2019
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

3. Summary of seasonal and annual water use.

	Summer RETAIL (Treated + Raw)	Total RETAIL (Treated + Raw)
2023	874,218,000	2,982,079,000
2022	833,775,000	2,777,379,000
2021	616,424,000	2,330,589,800
2020	659,515,100	2,364,424,400
2019	580,525,000	2,241,576,000
Average in Gallons	712,891,420.00	2,539,209,640.00

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

E. Water Loss

Water Loss data for the previous five years.

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2023	241,257,000	11	8.09 %
2022	226,087,000	11	8.14 %
2021	178,945,000	9	7.74 %
2020	228,767,000	13	9.79 %
2019	353,759,000	20	15.78 %
Average	245,763,000	13	9.91 %

F. Peak Day Use

Average Daily Water Use and Peak Day Water Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2023	8,170,079	9502369	1.1631
2022	7,609,257	9062771	1.1910
2021	6,385,177	6700260	1.0493
2020	6,477,875	7168642	1.1066
2019	6,141,304	6310054	1.0275

G. Summary of Historic Water Use

Water Use Category	Historic Average	Percent of Connections	Percent of Water Use
Residential - Single Family	881,129,000	91.29 %	47.76 %
Residential - Multi-Family	251,854,600	0.88 %	13.65 %
Industrial	333,269,200	0.36 %	18.07 %
Commercial	235,832,400	6.16 %	12.78 %
Institutional	141,515,800	1.14 %	7.67 %
Agricultural	1,208,400	0.17 %	0.07 %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

H. System Data Comment Section

Section III: Wastewater System Data

A. Wastewater System Data

1. Design capacity of wastewater treatment plant(s) in gallons per day: 12,400,000

2. List of active wastewater connections by major water use category.

Water Use Category	Metered	Unmetered	Total Connections	Percent of Total Connections
Municipal	0	17,349	17,349	92.33 %
Industrial	0	67	67	0.36 %
Commercial	0	1,159	1,159	6.17 %
Institutional	0	215	215	1.14 %
Agricultural	0	0	0	0.00 %
Total	0	18,790	18,790	100.00 %

3. Percentage of water serviced by the wastewater system: 95.00 %

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

4. Number of gallons of wastewater that was treated by the utility for the previous five years.

Month	Total Gallons of Treated Water				
	2023	2022	2021	2020	2019
January	256,092,000	147,933,000	193,068,000	277,359,000	216,505,000
February	158,245,000	155,746,000	156,960,000	172,080,000	151,890,000
March	140,100,000	139,254,000	159,589,000	136,211,000	142,166,000
April	175,107,000	133,102,000	133,000,000	121,941,000	127,256,000
May	228,866,000	146,662,000	237,558,000	138,876,000	202,982,000
June	168,121,000	125,934,000	218,326,000	150,626,000	184,166,000
July	164,494,000	132,856,000	229,650,000	187,188,000	134,748,000
August	152,529,000	175,177,000	157,249,000	130,831,000	146,613,000
September	172,288,000	140,471,000	228,987,000	153,571,000	205,344,000
October	180,794,000	122,346,000	228,139,000	137,684,000	225,636,000
November	167,205,000	243,887,000	155,160,000	138,005,000	190,785,000
December	186,072,000	215,453,000	164,019,000	242,641,000	155,326,000
Total	2,149,913,000	1,878,821,000	2,261,705,000	1,987,013,000	2,083,417,000

5. Could treated wastewater be substituted for potable water?

Yes
 No

B. Reuse Data

1. Data by type of recycling and reuse activities implemented during the current reporting period.

Type of Reuse	Total Annual Volume (in gallons)
On-site Irrigation	
Plant wash down	
Chlorination/de-chlorination	
Industrial	
Landscape irrigation (park,golf courses)	0
Agricultural	
Discharge to surface water	0
Evaporation Pond	0
Other	
Total	0

UTILITY PROFILE FOR RETAIL WATER SUPPLIER

C. Wastewater System Data Comment

Additional comments and files to support or explain wastewater system data listed below.

APPENDIX B
WATER RATES

City of Texas City 2024 Water Conservation Plan Update

City of Texas City Water Rates

Minimum Monthly Billing:

5/8-inch meter	\$8.75
3/4-inch meter	\$9.43
1-inch meter	\$10.08
1-1/2-inch meter	\$15.28
2-inch meter	\$28.28
3-inch meter	\$49.08
4-inch meter	\$95.88
6-inch meter	\$189.48
8-inch meter	\$280.48
10-inch meter	\$370.18

For the additional incremental water usage in excess of 3,000 gallons, per 1,000 gallons:

	Rate per 1,000 Gallons
Pasture and residential:	
4,000 - 9,000 gallons	\$4.00
10,000 - 24,000 gallons	\$6.00
25,000 gallons or more	\$8.00
All other account types:	Rate per 1,000 Gallons
4,000 - 24,000	\$6.00
25,000 - 49,000	\$8.00
50,000 gallons or more	\$10.00

APPENDIX C

LETTER SENT TO REGION H WATER PLANNING GROUP

City of Texas City 2024 Water Conservation Plan Update



April 29, 2024

Mr. Mark Evans
Chair – Region H Water Planning Group
c/o San Jacinto River Authority
PO BOX 329
Conroe, Texas 77305

Re: City of Texas City – Water Conservation and Drought Contingency Plan Update

Dear Mr. Evans:

On behalf of the City of Texas City, please find a copy of the City's Water Conservation and Drought Contingency Plan – 2024 Update. If you have any questions, please contact me at 713-400-2755 office or 713-254-0091 cell

Sincerely,
ARKK ENGINEERS, LLC

A handwritten signature in blue ink, appearing to read "D. Kasper", is written over the typed name.

David W. Kasper, P.E.
Senior Project Manager / Principal

DROUGHT CONTINGENCY PLAN

for the

CITY OF TEXAS CITY, TEXAS



Year 2024 Update



Prepared by:
ARKK ENGINEERS, LLC
7322 SOUTHWEST FREEWAY, SUITE 1040
HOUSTON, TEXAS 77074
(713) 400-2755
TX PE Firm No. 13872

Drought Contingency Plan
City of Texas City, Texas

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DROUGHT CONTINGENCY PLAN (TCEQ Form 20191)

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Section III	Public Education
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Section V	Authorization
Section VI	Application
Section VII	Definitions
Section VIII	Criteria for Initiation and Termination of Drought Response Stages
Section IX	Drought Response Stages
Section X	Enforcement
Section XI	Variances

Texas Commission on Environmental Quality

Water Availability Division
MC-160, P.O. Box 13087 Austin, Texas 78711-3087
Telephone (512) 239-4600, FAX (512) 239-2214

Drought Contingency Plan for a Retail Public Water Supplier

This form is provided as a model of a drought contingency plan for a retail public water supplier. If you need assistance in completing this form or in developing your plan, please contact the Conservation Staff of the Resource Protection Team in the Water Availability Division at (512) 239-4600.

Drought Contingency Plans must be formally adopted by the governing body of the water provider and documentation of adoption must be submitted with the plan. For municipal water systems, adoption would be by the city council as an ordinance. For other types of publicly-owned water systems (example: utility districts), plan adoption would be by resolution of the entity's board of directors adopting the plan as administrative rules. For private investor-owned utilities, the drought contingency plan is to be incorporated into the utility's rate tariff. Each water supplier shall provide documentation of the formal adoption of their drought contingency plan.

Name: City of Texas City

Address: 1801 9th Avenue North, Texas City, TX 77592-2608

Telephone Number: (409) 359-5505 Fax: n/a

Water Right No.(s): N/A

Regional Water Planning Group: Region H

Form Completed by: Jason Baecker

Title: Water Superintendent

Person responsible for implementation: Corbin Ballast Phone: (409) 359-5505 ext. 1

Signature: _____ Date: 4/15/2024

Section I: Declaration of Policy, Purpose, and Intent

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, the City of Texas City hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Drought Contingency Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other

emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section X of this Plan.

Section II: Public Involvement

Opportunity for the public to provide input into the preparation of the Plan was provided by the City of Texas City by means of public and civic organization meetings, which were open to the public.

Section III: Public Education

The City of Texas City will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of:

- Quarterly direct mailings of brochures or newsletters concerning our water conservation plan to users (the first distribution shall describe the plan and provide in detail). Future mail outs shall describe conservation tips for outdoors and irrigation usage; indoor and retrofitting water conservation devices for all water fixtures.
- Public and civic organization meetings;
- Published newspaper articles concerning water conservation (published before the City's high usage season);
- Posters and public displays;
- School programs, book cover distribution;
- New customer water conservation package to be given to all new customers upon new service installation. Contents to include water conservation tips and description of retrofitted water conserving devices to house plumbing. This package shall also be sent to customers that complain of high water usage.
- Conservation literature and brochures shall be displayed at the Customer Service office, Cashier windows and at the Utilities building office.

Section IV: Coordination with Regional Water Planning Groups

The service area of the City of Texas City is located within Region H (name of TWDB regional water planning area), and The City of Texas City has provided a copy of this Plan to Region H.

Section V: Authorization

The Mayor of the City of Texas City, or his/her designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Mayor of the City of Texas City or his/her designee shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan..

Section VI: Application

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the City of Texas City. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

Section VII: Definitions

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by The City of Texas City.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Foundation watering: an application of water to the soils directly abutting (within 2 feet) the foundation of a building, structure.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, including parks, athletic fields, and golf courses, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and

- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Section VIII: Criteria for Initiation and Termination of Drought Response Stages

The Mayor of the City of Texas City or his/her designee shall monitor water supply and/or demand conditions on a daily basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified “triggers” are reached.

The triggering criteria described below are based on GCWA-established triggering criteria.

Stage 1 Triggers - - MILD Water Shortage Conditions

Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to the prescribed restrictions on certain water uses, defined in Appendix A - Definitions. Stage 1 will be implemented when the City is notified that its daily water use has reached or exceeded 85% (currently 9.78 MGD) pro rata share of the deliverable surface water capacity for four consecutive days. Or, when total daily water use equals or exceeds 90% (currently 10.35 MGD) of the pro rata share of the deliverable surface water capacity in a single day, based on the “safe” operating capacity of GCWA Water Treatment Plant.

Requirements for termination

Stage 1 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 30 consecutive days.

Stage 2 Triggers - MODERATE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 2 of this Plan. Stage 2 will be implemented when the City is notified that its daily water use has reached or exceeded 95% (Currently 10.93 MGD) of the prorated share of the deliverable surface water capacity for four consecutive days. Or, when total daily water use equals 100% (currently 11.505 MGD) of deliverable surface water supplies in a single day.

Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 30 consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

Stage 3 Triggers SEVERE Water Shortage Conditions

Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 of this Plan. Stage 3 will be

implemented when the City is notified that its daily water use has reached 100% (currently 11.505 MGD) of its contracted surface water supply for two consecutive days.

Requirements for termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of 30 consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

Stage 4 Triggers - EMERGENCY Water Shortage Conditions

Requirements for initiation

Customers will be mandated to comply with the requirements and restrictions on certain nonessential water uses for Stage 4 of this Plan when the Mayor or his/her designee determines that a water supply emergency exists based on:

Condition 1: Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or

Condition 2: Natural or man-made contamination of the water supply source(s).

Requirements for termination

- a) Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist. A post-event assessment of the incident will be prepared following cessation of triggering events.

Section IX: Drought Response Stages

The Mayor of the City of Texas City, or his/her designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe, critical, emergency or water shortage condition exists and shall implement the following notification procedures:

Notification

Notification of the Public:

The Mayor of the City of Texas City or his/ her designee shall notify the public by means of:

- Publication in a newspaper of general circulation, or;
- Posting of signs in appropriate locations in the City.

Additional Notification:

The City shall notify directly, or cause to be notified directly, the following individuals and entities:

- TCEQ (when mandatory restrictions are imposed)
- Major water users (at Drought Stage II)

- Critical water users, i.e. hospitals (at Drought Stage II)

Stage 1 Response – MILD Water Shortage Conditions

Target: Achieve a voluntary 5 percent reduction in total water usage

Best Management Practices for Supply Management:

The City will discontinue flushing of water mains and make preparations for the possible activation of its water supply wells.

Voluntary Water Use Restrictions for Reducing Demand:

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of 8:00 pm and 4:00 a.m. on designated watering days.
- (b) All operations of the City of Texas City shall adhere to water use restrictions prescribed for Stage 1 of the Plan.
- (c) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

Stage 2 Response – MODERATE Water Shortage Conditions

Target: Achieve a 10 percent reduction in total water usage.

Best Management Practices for Supply Management:

The City will limit water use by discontinuing flushing of water mains and irrigation of public landscape areas. The public will be notified via press releases in local newspapers, radio station 530AM, and Public Access Television channels 16 and 64 (cable).

Water Use Restrictions for Demand Reduction:

Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 8:00 pm until 4:00 a.m. on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-

held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public is contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools is prohibited except on designated watering days between the hours of 9 p.m. and 4:00 am.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the City of Texas City.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of 10 p.m. and 4:00 am. However, if the golf course utilizes a water source other than that provided by the City of Texas City or the GCWA, the facility shall not be subject to these regulations.
- (g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (h) The following uses of water are defined as non-essential and are prohibited:
 - 1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
 - 2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
 - 3. use of water for dust control;
 - 4. flushing gutters or permitting water to run or accumulate in any gutter or street; and
 - 5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

Stage 3 Response – SEVERE Water Shortage Conditions

Target: Achieve a 15 percent reduction in total water use.

Best Management Practices for Supply Management:

Mandate immediate reduction of customer water consumption. The public will be notified via newspaper articles, radio station 530AM, and Public Access Television channels 16 and 64 (cable).

Water Use Restrictions for Demand Reduction:

All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) All outdoor water use, including lawn watering and car washing, is prohibited.
- (b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the City of Texas City or the GCWA.
- (c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

Stage 4 Response - EMERGENCY Water Shortage Conditions

Best Management Practices for Supply Management:

Notify the Mayor of the emergency and supplement water with well water. If condition is expected to last longer than 48 hours, notify the public via Radio Station 530AM, TV channels 16 and 64 and by a daily newspaper article until the emergency is ended

Water Use Restrictions for Reducing Demand:

All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) The City may adopt a surcharge of up to 200% for all residential water use exceeding 10,000 gallons per resident meter per month

Stage 5 Response - WATER ALLOCATION

In the event that water shortage conditions threaten public health, safety, and welfare, the Mayor of the City of Texas City is hereby authorized to allocate water according to the following water allocation plan:

Single-Family Residential Customers

The allocation to residential water customers residing in a single-family dwelling shall be as follows:

Persons per Household	Gallons per Month
1 or 2	5,000
3 or 4	6,000
5 or 6	7,000
7 or 8	8,000
9 or 10	9,000
11 or more	10,000

“Household” means the residential premises served by the customer’s meter. “Persons per household” include only those persons currently physically residing at the premises and expected to reside there for the entire billing period. It shall be assumed that a particular customer’s household is comprised of two (2) persons unless the customer notifies the City of Texas City of a greater number of persons per household on a form prescribed by the City. The Mayor of the City of Texas City shall give his/her best effort to see that such forms are mailed, otherwise provided, or made available to every residential customer. If, however, a customer does not receive such a form, it shall be the customer’s responsibility to go to the City offices to complete and sign the form claiming

more than two (2) persons per household. New customers may claim more persons per household at the time of applying for water service on the form prescribed by the City. When the number of persons per household increases so as to place the customer in a different allocation category, the customer may notify the City on such form and the change will be implemented in the next practicable billing period. If the number of persons in a household is reduced, the customer shall notify the City in writing within two (2) days. In prescribing the method for claiming more than two (2) persons per household, the City shall adopt methods to ensure the accuracy of the claim. Any person who knowingly, recklessly, or with criminal negligence falsely reports the number of persons in a household or fails to timely notify the City of a reduction in the number of person in a household shall be fined not less than \$200.00 and not more than \$500.00.

Section X: Enforcement

- (a) No person shall knowingly or intentionally allow the use of water from the City of Texas City for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the Mayor of the City of Texas City, or his/her designee, in accordance with provisions of this Plan.
- (b) Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of not less than \$200.00 dollars and not more than \$500.00 dollars. Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Mayor of the City of Texas City shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, hereby established at \$50.00, and any other costs incurred by the City of Texas City in discontinuing service. In addition, suitable assurance must be given to the Mayor of the City of Texas City that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.
- (c) Any person, including a person classified as a water customer of the City of Texas City, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.
- (d) City police officer, code enforcing officer or other City employee designated by the Mayor, may issue a citation, may issue a citation to a person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in the municipal court the date shown on the citation for which the date

shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in municipal court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in municipal court a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

Section XI: Variances

The Mayor of the City of Texas City, or his/her designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- (a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the City of Texas City within 5 days after the Plan or a particular drought response stage has been invoked. All petitions for variances shall be reviewed by the Mayor of the City of Texas City, or his/her designee, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (h) Other pertinent information.

CITY COMMISSION REGULAR MTG

(6) (f)

Meeting Date: 12/18/2024

Utilities Department Purchase of Water Meters and Associated Parts

Submitted For: Dj Hutchinson, Public Works **Submitted By:** Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

The Utilities Department is seeking approval for payment(s) to Accurate Utility Supply not to exceed \$125,000.00 for the purchase of meters and other related appurtenances. Budgeted in Account No.- 501705 53410

BACKGROUND (Brief Summary)

The City utilizes Badger meters and their components exclusively and Accurate Utility Supply is the authorized Badger dealer for the state of Texas. Additional meters, endpoints (communication device), and additional components are sole sourced through Accurate Utility Supply.

RECOMMENDATION

It is the recommendation of the Utilities Department that the Mayor and City Commission approve this agenda item as described above.

Fiscal Impact

Funds Available Y/N: Y

Amount Requested: not to exceed \$125,000.00

Source of Funds: FY 24/25 Budget

Account #: 501705 53410

Fiscal Impact:

The City utilizes Badger meters and their components exclusively and Accurate Utility Supply is the authorized Badger dealer for the state of Texas. Additional meters, endpoints (communication device), and additional components are sole sourced through Accurate Utility Supply.

Attachments

Resolution

RESOLUTION NO. 2024-175

A RESOLUTION AUTHORIZING PAYMENT TO ACCURATE UTILITY SUPPLY FOR THE PURCHASE OF METERS AND OTHER RELATED APPURTENANCES; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City utilizes Badger meters and their components exclusively and Accurate Utility Supply is the authorized Badger dealer for the State of Texas; and

WHEREAS, additional meters, endpoints (communication device), and additional components are sole sourced through Accurate Utility Supply.

WHEREAS, Funds are available in the City of Texas City's adopted 2024/2025 fiscal year budget and will be expensed from Account No. 501-705-53410.

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

SECTION 1: That the City Commission hereby approves payment(s) to Accurate Utility Supply not to exceed \$125,000.00 for the purchase of meters and other related appurtenances.

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

PASSED AND ADOPTED this 18th day of December 2024.

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

CITY COMMISSION REGULAR MTG

(7) (a)

Meeting Date: 12/18/2024

Waiver of Right to Terminate - Gulf Coast Ammonia LLC

Submitted For: Jon Branson, Management Services

Submitted By: Jon Branson, Management Services

Department: Management Services

Information

ACTION REQUEST

Authorizing a Waiver of Right to Terminate provision 16.6 of the 312 Tax Abatement Agreement between the City of Texas City and Gulf Coast Ammonia LLC., for failure to place the improvement in service by December 31, 2024.

BACKGROUND (Brief Summary)

In September 2019, the City of Texas City formally approved a Chapter 312 (tax abatement) Agreement with Gulf Coast Ammonia LLC. The tax abatement agreement is for a ten (10) year period. The terms of the agreement required Gulf Coast Ammonia LLC., to begin construction of the facility within two (2) years of the effective date of the agreement; construct a facility with a minimum value of \$450,000,000; comply with the executed Chapter 380 Economic Development and Performance Agreement, and complete improvements and have those improvements in service by December 31, 2024.

Each of the above requirements of the agreement have been fulfilled except for being in service by December 31, 2024. Due to unforeseen issues with equipment, the start-up of the facility will not meet the deadline of being in service December 31, 2024. As a result of this delay, Gulf Coast Ammonia LLC., is requesting a waiver of provision 16.6 of the 312 agreement. It is anticipated the plant will start up within the next six (6) months.

It is important to note that Gulf Coast Ammonia LLC., is in compliance with all other terms of the agreement and has exceeded the \$450,000,000 in infrastructure improvement on the ground and is current on all payments to the City for the 380 Economic Development Agreement and the Charitable Contribution requirement. The proposed action has no negative financial impacts on the City of Texas City.

RECOMMENDATION

Staff recommends approval of a Waiver of Right to Terminate section 16.6 of the 312 Tax Abatement provision for failure to place improvements in place and to have the plant operational by December 31, 2024. Staff further recommends this provision be extended to December 31, 2025.

Fiscal Impact

Attachments

312 Agreement

Waiver of Default GCA
Resolution

CHAPTER 312
TAX ABATEMENT AGREEMENT
BETWEEN
THE CITY OF TEXAS CITY, TEXAS,
GULF COAST AMMONIA LLC,
EASTMAN CHEMICAL TEXAS CITY, INC,
AND
OILTANKING NORTH AMERICA, LLC

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**”); **OILTANKING NORTH AMERICA, LLC**, a Delaware limited liability company (“**Oiltanking**”), as the owners/lessors of parcels of the taxable real property located within the jurisdictional limits of the City of Texas City, Galveston County, Texas, and specifically located within the “Texas City Gulf Coast Reinvestment Zone No. 1” created pursuant to Ordinance No. 17-16 adopted on May 17, 2017, and as was subsequently amended by Ordinance No. 17-32 adopted on December 6, 2017 and Ordinance No. 19-23 adopted on August 7, 2019 (such reinvestment zone, the “**Reinvestment Zone**”, and such property specifically located within the Reinvestment Zone, the “**Property**”); **GULF COAST AMMONIA LLC**, a Delaware limited liability company (“**Company**”), which is the lessee of a portion 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 remaining portions of the Property not owned and leased to Company by Eastman and Oiltanking and located offshore are owned by the State of Texas.

The Company (a) leases a portion of the Property from Eastman pursuant to a Ground Lease dated November 27, 2017, and evidenced by a Memorandum of Lease

filed and recorded in the Official Public Records of Galveston County, Texas, with instrument number 2017073144, as amended (b) may subsequently elect to relinquish some of the Property leased from Eastman and enter into a ground lease with Oiltanking for additional Property and (c) will enter into leases with the State of Texas (acting by and through the Commissioner of the General Land Office, on behalf of the Permanent School Fund of the State of Texas) for the portions of the Property located offshore (the “**GLO Leases**”). Company and the City are sometimes jointly referred to herein as the “Parties” and sometimes individually referred to as a “Party.”

AIR PRODUCTS AND CHEMICALS, INC., or its Affiliate (“**Air Products**”) may subsequently execute the Joinder attached to this Agreement as Exhibit G and join as a Party to this Agreement pursuant to Section 12.2.

Eastman and Oiltanking are executing this Agreement and are Parties to this Agreement solely in their capacity as owners/lessors of portions of the Property 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 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 within a municipal 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. Oiltanking’s execution and performance of

this Agreement has been duly authorized and constitutes the valid and binding obligation of Oiltanking from and after execution hereof by all Parties.

II. CONDITIONS PRECEDENT

2.1. The City of Texas 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 (i.e. the Reinvestment Zone) by Ordinance No. 17-16 adopted on May 17, 2017, and as was subsequently amended by Ordinance No. 17-32 adopted on December 6, 2017 and Ordinance No. 19-23 adopted on August 7, 2019 (collectively the “**Reinvestment Zone Ordinances**”) 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. 19-088 adopted on September 18, 2019 (“**Abatement Resolution**”), which is attached hereto as Exhibit C. The Parties agree that the recitations, findings, and representations contained in the Reinvestment Zone Ordinances, the Abatement Application, and the Abatement Resolution adopted by the City are true and correct and are hereby incorporated into this Agreement by reference. 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.

III. DEFINITIONS, GUIDELINES & CRITERIA

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

- a. The “**2019 Certified Appraised Value**” means the January 1, 2019 value of all taxable property located within the Texas

City Gulf Coast Reinvestment Zone No. 1 as certified by the Galveston Central 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 or Air Products on the Property after January 1, 2020.
- 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 constructed, installed or moved on the Property after the date of execution of this Agreement. A list of Eligible Abatement Property is set forth in the Abatement Application. During the Construction Phase of the Improvements, Company may make such change orders relating to the construction of such Improvements as are reasonably necessary to accomplish their intended use.
- f. **“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, and 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 that has an economic life of less than fifteen (15) years.
- g. **“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.

- h. “**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; (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 (over which the Company has no reasonable control) franchises, licenses or permits, loss, interruption, curtailment, failure or inability to obtain (over which the Company has no reasonable control) 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 within the jurisdictional limits of the City, which the City adopted on June 19, 2019 by Resolution No. 19-056, 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 and the Property subject to this Agreement meet or otherwise satisfy the applicable City Guidelines and Criteria for granting tax abatements and all other terms and conditions as established by the City.

IV. SUBJECT PROPERTY

4.1. The Texas City Gulf Coast Reinvestment Zone No. 1, as designated by the Reinvestment Zone Ordinances is an area within the jurisdictional limits of the City of Texas City, Galveston County, Texas, comprising approximately two hundred (200) acres of land, more or less, generally described in Exhibit A attached hereto and incorporated herein.

4.2. The 2019 Certified Appraised Values for the Land, Improvements and Tangible Personal Property located within the Reinvestment Zone that will be hereafter certified by the Galveston Central 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 at least the following:

	Personal Property	Improvements	Land
Taxable Value as of January 1 st <i>Preceding</i> Tax Abatement Agreement	\$ 0	\$ 0	\$ 2,612,060
Estimated Taxable Value of Abated Properties <i>After</i> Abatement Expires	\$ 265,472,686	\$ 66,368,171	\$ 2,612,060
Taxable Value <i>Upon Completion</i> of Project (Personal Property and Project Improvements Not Subject to Abatement)	\$ 3,000,000	\$ 0	\$ 2,612,060

** 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 Central 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 the Project for personal property is based on cost of production for annual estimated inventory.

4.4. The Galveston Central Appraisal District will establish a separate account or accounts for the Eligible Abatement Property.

V. VALUE AND TERM OF AGREEMENT

5.1. The Abatement provided for in this Agreement shall be effective on the January 1, 2022 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 Eligible Abatement Property shall be abated in accordance with the Schedule below:

TAX ABATEMENT SCHEDULE

<u>Tax Year Abated</u>	<u>Percentage of Value Abated</u>
2022	100%
2023	100%
2024	100%
2025	100%
2026	100%
2027	100%
2028	100%
2029	100%
2030	100%
2031	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 Agreement (“**380 Agreement**”), as authorized by Resolution No. 19-089 (“**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 the Chapter 380 Resolution are attached hereto as Exhibits E and F, respectively, and incorporated herein by reference and made a part hereof.

VI. TAXABLE VALUE

- 6.1. 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 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. However, to the extent the Project’s appraised value exceeds eight hundred million dollars (\$800,000,000.00) in any given tax year during the term of this Agreement, the Company shall not contest or protest the Project’s appraised value for any amount less than eight hundred million dollars (\$800,000,000.00)

VII. CONTEMPLATED IMPROVEMENTS

7.1. As set forth in Company’s Application dated May 23, 2019 (as supplemented on July 1, 2019), which is incorporated herein for all purposes, Company represents that it will construct the Improvements, with a guaranteed minimum value of **\$450,000,000** (all such Improvements, the “**Project**”) within five years of the effective date of this Agreement. During the Construction Phase, Company may make such change orders relating to the construction of the Eligible Abatement Property as are 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.

VIII. LIABILITY

8.1. 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.

8.2. 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.

IX. EVENTS OF DEFAULT / TERMINATION

9.1. 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 effective date of this Agreement is, or
- b. fails to complete construction or place the Improvements in service by December 31, 2024; or
- c. fails to comply with any of the terms of the Chapter 380 Economic Development and Performance Agreement executed in conjunction herewith; or
- . breaches in any material respect any representation given in this Agreement including but not limited to the guaranteed minimum value threshold of \$450,000,000.00 within five (5) years of the effective date of this Agreement.

9.2. 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 thereof to Company. If Company's default cannot with due diligence be cured within the Cure Period, then subject to the provisions of Section 9.2(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) if applicable, 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 this Section 9.2., 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 the continued use of commercially reasonable efforts to cure such default will not be successful, then there shall be no Abatement, as provided for herein, for the year in which the Company's default first occurred.
- b. In no event shall this Section 9.2 supersede Sections 9.3 through 9.6 below.

9.3. 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 9.2, then the City may terminate this Agreement and the 380 Agreement.

9.4. 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 IX as a result of an event of default set forth in Section 9.1(a), 9.1(b), 9.1(c), or 9.1(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 for all prior tax years with respect to 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 for 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.

9.5. 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 IX as a result of any event of default set forth in Section 9.1 or for the reasons set forth in clause "(i)" of the first sentence of Section 9.3 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 for the immediate prior tax year with respect to 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 for 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.

9.6. Discontinuation of Production: In the event the Improvements are completed and Company begins producing product or services, but subsequently discontinues 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 9.6, the abatement of the taxes for the calendar year during which the Company no longer produces product or services shall terminate. The taxes not otherwise previously abated in accordance with this Agreement 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 9.6.

X. EQUITABLE RELIEF

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

XI. ADMINISTRATION

11.1. Administration 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.

11.2. Annual Determination by Appraiser: The Chief Appraiser of the Galveston Central Appraisal District shall annually determine (i) the taxable value pursuant to the terms of this Agreement 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.

11.3 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.

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

XII. ASSIGNMENT

12.1. Assignment: 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.

12.2. Joinder: The Parties acknowledge and agree that (a) Air Products will construct and own certain of the Improvements and (b) at any time within one year after the date that this Agreement has been validly executed by Company and the City, if Air Products has entered into a ground lease with Eastman for portions of the Property on which its Improvements will be located, Company may cause Air Products to execute the joinder to this Agreement and the 380 Agreement, substantially in the form attached hereto as Exhibit G (the “**Joinder**”). From and after the date that Air Products executes and delivers the Joinder to the City, Company, Eastman and Oiltanking, Air Products shall thereafter be deemed a Party to this Agreement and the 380 Agreement, and all references in this Agreement and the 380 Agreement to “Company” shall thereafter be deemed to refer to Gulf Coast Ammonia LLC, a Delaware limited liability company, and Air Products, collectively.

XIII. NOTICE

13.1. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is transmitted by registered or certified mail, return receipt requested, in a United States Post Office, addressed to the City or Company. Notices shall be deemed to be delivered upon receipt. 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: KAAM SAHELY.

To the City:

CITY OF TEXAS CITY
NICK FINAN, CITY SECRETARY
1801 9TH AVENUE NORTH
TEXAS CITY, TX 77590

WITH A COPY TO:

RUSSELL PLACKEMEIER, CITY ATTORNEY
1801 9TH AVENUE NORTH
TEXAS CITY, TEXAS 77590

To Eastman:

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

ATTN: DAVID GOLDEN
CHIEF LEGAL OFFICER

To Oiltanking:

OILTANKING NORTH AMERICA, LLC
9805 KATY FREEWAY, SUITE 400
HOUSTON, TX 77024
ATTN: NICK BIGNEY
GENERAL COUNSEL

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

XIV. AUTHORITY

14.1. 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.

XV. EFFECTIVE DATE

15.1. 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 Resolution and any terms or conditions associated therewith, including the prior delivery by the Company to the City of executed copies of the GLO Leases.

XVI. MISCELLANEOUS

16.1. 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.

16.2. Recordation: The City agrees to record a certified copy of this Agreement in the Deed Records of Galveston County, Texas, and to request that the chief appraiser of Galveston Central Appraisal District deliver, by July 1 of the year following the year in which the abatement agreement is executed, a copy of this tax abatement agreement to the Texas Comptroller of Public Accounts pursuant to Texas Tax Code Sec. 312.005(a)(2).

16.3. 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.

16.4. 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.

16.5. 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.

16.6. 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.

16.7. Approvals or Consents: Approvals or consents required or permitted to be given under this Agreement shall be evidenced by a 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.

16.8. 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.

16.9. 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 or relating to the subject matter hereof are superseded by this Agreement.

16.10. 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.

16.11. 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 of 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 effect 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 Section 16.11, 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.

16.12. 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.

16.13. 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 the tax abatement provided for in this Agreement exceed a period of ten (10) years in accordance with state law.

16.14. 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.

16.15. Sovereign Immunity: Nothing in this Agreement shall constitute or be interpreted as the City’s express or implied waiver of its governmental or sovereign immunity as to liability, or constitute or be interpreted as the City’s express or implied consent to suit.

16.16. Boycott Israel: Pursuant to Texas Government Code Chapter 2270, the Company verifies that it does not boycott Israel, and it will not boycott Israel during the term of this Agreement.

16.17. 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]

EASTMAN CHEMICAL TEXAS CITY, INC.
a Delaware corporation

By: *Clark L. Jordan*
Name: Clark L. Jordan

Title: Authorized Representative, Eastman Chemical Texas City, Inc.

11/27/19
(Date)

ATTEST:

Becky Flanary
(Signature)
Becky Flanary
Sr. Executive Team Assistant
(Printed Name and Title)

ACKNOWLEDGMENT

STATE OF TENNESSEE §
 §
COUNTY OF SULLIVAN §

Before me, the undersigned authority on this day personally appeared Clark L. Jordan, Authorized Person authorized by the Sole Director 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 Delaware corporation.

Given under my hand and seal of office this the 27th day of Nov. 2019.

Karen Taylor
Notary Public in and for the State of



My commission expires: 4/29/23

SCHEDULE OF EXHIBITS

- Exhibit A – Texas City Ordinance 17-16 (Reinvestment Zone Ordinance)
Texas City Ordinance 17-32 (Ordinance Amending Reinvestment Zone)
Texas City Ordinance 19-23 (Ordinance Amending Reinvestment Zone)
- Exhibit B – Gulf Coast Ammonia LLC Tax Abatement Application
- Exhibit C – Resolution No. 19-088 (Abatement Resolution)
- Exhibit D – Resolution No. 19-056 (Tax Abatement Guidelines & Criteria)
- Exhibit E – 380 Agreement
- Exhibit F – Resolution No. 19-089 (Chapter 380 Resolution)
- Exhibit G – Air Products Joinder

Exhibit A
Texas City Ordinance 17-16 (Reinvestment Zone Ordinance)
Texas City Ordinance 17-32 (Ordinance Amending Reinvestment Zone)
Texas City Ordinance 19-23 (Ordinance Amending Reinvestment Zone)

See Attached

ORDINANCE NO. 17-16

AN ORDINANCE OF THE CITY OF TEXAS CITY, TEXAS DESIGNATING A REINVESTMENT ZONE KNOWN AS THE "TEXAS CITY GULF COAST REINVESTMENT ZONE NO. 1" FOR PURPOSES OF COMMERCIAL-INDUSTRIAL TAX ABATEMENT; MAKING NECESSARY FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of Texas City, Texas (the "City") desires to make available tax abatement relief in the area designated by this Ordinance to encourage the development of primary employment and to attract major investment;

WHEREAS, the City adopted Resolution 16-78 on October 19, 2016 whereby it elected to become eligible to participate in tax abatement pursuant to the Property Redevelopment and Tax Abatement Act, Tex. Tax. Code Chapter 312, Sec. 312.002;

WHEREAS, the City adopted Resolution 17-002 on January 18, 2017 whereby it adopted guidelines and criteria governing tax abatement agreements pursuant to the Tex. Tax. Code Sec. 312.002;

WHEREAS, the City properly complied with the notice requirements pursuant to Section 312.201(d) and conducted a public hearing during its duly noticed public meeting held on Wednesday, May 17, 2017 at 5:00 p.m., regarding the designation of the area identified in the attached Exhibit "A-1" and "A-2" as a 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 that the improvements sought within the designated reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement entered under Tex. Tax. Code Sec. 312.204;

WHEREAS, the City Commission finds that the designation of the reinvestment zone is reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in such reinvestment zone that will be a benefit to the property and will contribute to the economic development of the City of Texas City;

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

Section 1. Designation of Reinvestment Zone. That pursuant to Chapter 312 of Texas Tax Code, the City of Texas City hereby designates the following described real property as a reinvestment zone for the purposes of commercial-industrial tax abatement which shall hereinafter be called "Texas City Gulf Coast Reinvestment Zone No. 1", to wit:

That portion of real property identified by Property ID 223922, being an approximate fourteen (14) acre portion of land contained within that geographical area located south of 2nd Avenue, east of 5th Street, west of 3rd Street and north of the property line for Property ID 223922 as depicted in Exhibit A-1 attached hereto; and

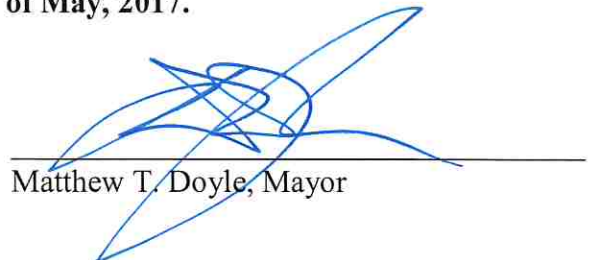
That portion of real property identified by Property ID 182510, being an approximate seven (7) acre portion of land contained within that geographical area identified in Exhibit A-2 attached hereto.

Section 2. Declaration of Eligible Property. That 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 “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. 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.

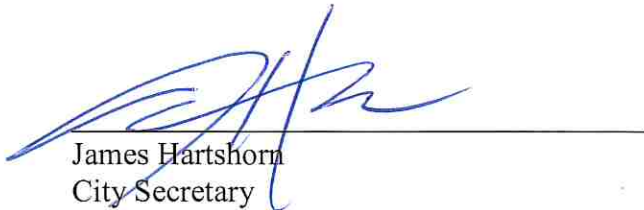
Section 4. Effective date. This Ordinance shall be effective upon its adoption.

PASSED and ADOPTED on this 17th day of May, 2017.



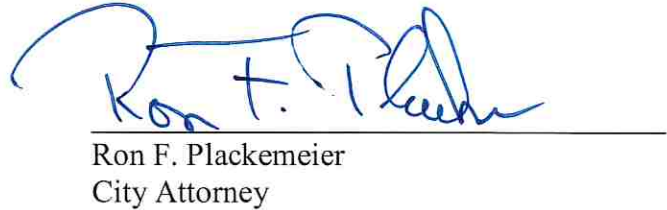
Matthew T. Doyle, Mayor

ATTEST:



James Hartshorn
City Secretary

APPROVED AS TO FORM:



Ron F. Plackemeier
City Attorney

EXHIBIT "A-1"

GALVESTON CAD PROPERTY ID: R223922 (PORTION)



EXHIBIT "A-2"

GALVESTON CAD PROPERTY ID: R182510 (PORTION)



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.

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.

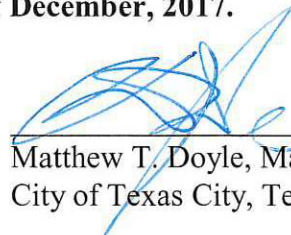
SECTION 2: Declaration of Eligible Property. The City of Texas City hereby declares eligible for property tax abatement all eligible real and tangible personal property for commercial-industrial development, now or thereafter located in the amended “Texas City Gulf Coast Reinvestment Zone No. 1” as authorized 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

ATTEST:

James Hartshorn
City Secretary


APPROVED AS TO FORM:

Russell Plackemeier
City Attorney

EXHIBIT "A"

Legal Description of Premises

(See Attached)

Area 1 Legal Description

November 10, 2017

Area 1

*14.7318 acres in the N. Hurd Survey, Abstract No. 77,
City of Texas City, Galveston County, Texas*

A FIELD NOTE DESCRIPTION of 14.7318 acres (641,718 square feet) of land in the N. Hurd Survey, Abstract No. 77, City of Texas City, Galveston County, Texas; said 14.7318 acre tract being a portion of Block 41 and all of Blocks 40, 64-65, 79-80 and 81-84, Texas City First Division, according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records, also being a portion of Fourth Street (100 feet wide), Fifth Street (75 feet wide) and Third Avenue South (70 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records and also being a portion of a 237.0539 acre tract of land conveyed to STX Chemicals Corp., as recorded in Galveston County Clerk's File No. 9634443; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on the Texas State Plane Coordinate System, South Central Zone using National Geodetic Survey Continuously Operating Reference Stations:

COMMENCING FOR REFERENCE at a 1/2-inch iron rod found for the northeast corner of said 237.0539 acre tract; from which a brass disk found bears North 67° 20' 24" West – 2,180.23 feet;

THENCE, South 60° 19' 28" West – 3,929.81 feet to a pk nail set at the intersection of the south right-of-way line of Second Avenue South (80 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records with the west right-of-way line of Third Street (70 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records for the northeast corner of said Block 41;

THENCE, South 02° 21' 52" East – 81.88 feet with the west right-of-way line of said Third Street and with the east line of said Block 41 to an angle point and POINT OF BEGINNING of this tract;

THENCE, South 02° 21' 52" East with the west right-of-way line of said Third Street and with the east line of said Blocks 41, at a distance of 58.12 feet pass a point for a northwest corner of said 237.0539 acre tract and continuing with the east line of said Block 40, 83 and 84 for a total distance of 528.12 feet to a pk nail set at the intersection of the north right-of-way line of Fourth Avenue South (70 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records with the west right-of-way line of said Third Street for the southeast corner of said Block 84 and for the southeast corner of this tract;

THENCE, South 87° 38' 08" West with the north line of said Fourth Avenue South and with the south line of said Blocks 84 and 82, at a distance of 900.00 feet pass a 1/2-inch iron rod set in a west line of said 237.0539 acre tract at the intersection of the north right-of-way line of said Fourth Avenue South with the east right-of-way line of Fifth Street (75 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records for the southwest corner of said Block 82 and continuing with the north right-of-way line of said Fourth Avenue South and with the south line of said Block 80 for a total distance of 1,250.00 feet to a 1/2-inch iron rod set for the southwest corner of this tract;

THENCE, North 02° 21' 52" West – 270.00 feet with the east line of a 15 foot wide alley, according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records to a 1/2-inch iron rod set in the south right-of-way line of said Third Avenue South and in the north line of said Block 79 for a northwest corner of this tract;

THENCE, North 87° 38' 08" East – 350.00 feet with the south line of said Third Avenue South and with the north line of said Block 79 to a 1/2-inch iron rod set in the east right-of-way line of said Fifth Street for the northwest corner of said Block 81 and for an interior corner of this tract;

THENCE, North 02° 21' 52" West – 340.00 feet with the east right-of-way line of said Fifth Street and with the west line of said Block 65 and 64 to a 1/2-inch iron rod set at the intersection of the south right-of-way line of said Second Avenue South with the east right-of-way line of said Fifth Street for the northwest corner of said Block 64 and for the northwest corner of this tract

THENCE, North 87° 38' 08" East – 830.49 feet with the south right-of-way line of said Second Avenue South and with the north line of said Blocks 64 and 41 to a point for a northeast corner of this tract;

THENCE, South 28° 50' 27" East – 4.21 feet to an angle point of this tract;

THENCE, South 81° 10' 19" East – 20.13 feet to an angle point of this tract;

THENCE, South 60° 25' 25" East – 20.31 feet to an angle point of this tract;

THENCE, South 36° 22' 49" East – 19.03 feet to an angle point of this tract;

THENCE, South 25° 07' 19" East – 51.70 feet to the POINT OF BEGINNING and containing 14.7318 acre (641,718 square feet) of land.

Notes:

- 1.) This metes-and-bounds description was written in conjunction with a survey performed on even date herewith.
- 2.) No deed was found for the abandonment of Fourth Street, Fifth Street and Third Avenue South outside of the 237.0539 acres.

COMPILED BY:
Texas Engineering And Mapping Company
Civil Engineers - Land Surveyors
Stafford, Texas
Job No. 5049-3

5049-3_Area 1_R1.doc




Brian Nesvadba
Registered Professional Land Surveyor
State of Texas No. 5776

Area 3
Legal Description

November 10, 2017

Area 3

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

A FIELD NOTE DESCRIPTION of 11.9412 acres (520,158 square feet) of land in the James B. Wells Survey, Abstract No. 205 and the N. Hurd Survey, Abstract No. 686, City of Texas City, Galveston County, Texas; said 11.9412 acre tract being out of a 237.0539 acre tract of land conveyed to STX Chemicals Corp., as recorded in Galveston County Clerk's File No. 9634443 and being a portion of Easement No. CE-82-051, "Dock No. 5", between the State of Texas, the School Land Board of the State of Texas and Monsanto Company, as recorded in Galveston County Clerk's File No. 8302396; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on the Texas State Plane Coordinate System, South Central Zone using National Geodetic Survey Continuously Operating Reference Stations:

BEGINNING at a 1/2-inch iron rod found for the northeast corner of said 237.0539 acre tract and for the northeast corner of this tract; from which a brass disk found bears North 67° 20' 24" West - 2,180.23 feet;

THENCE, South 15° 00' 51" West - 690.33 feet with the east line of said 237.0539 acre tract to a point for the north corner of said "Dock No. 5" and for an interior corner of this tract;

THENCE, South 74° 59' 09" East - 60.46 feet to a point for the east corner of said "Dock No. 5" and for an east corner of this tract;

THENCE, South 15° 00' 51" West - 60.93 feet to a point for the south corner of said "Dock No. 5" and for a south corner of this tract;

THENCE, North 74° 59' 09" West - 60.46 feet to a point in the east line of said 237.0539 acre tract for the west corner of said "Dock No. 5" and for an interior corner of this tract;

THENCE, South 15° 00' 51" West - 77.70 feet with the east line of said 237.0539 acre tract to a point for the southeast corner of this tract;

THENCE, South 87° 10' 54" West, at a distance of 74.00 feet pass a 1/2-inch iron rod set for reference and continuing for a total distance of 459.87 feet to a point for the southwest corner of this tract;

THENCE, North 02° 49' 06" West - 744.05 feet to a 1/2-inch iron rod set for an interior corner of this tract;

THENCE, South 87° 34' 38" West - 609.86 feet to a 1/2-inch iron rod set for an angle point of this tract;

THENCE, South 43° 00' 53" West - 42.75 feet to an angle point of this tract;

THENCE, South 87° 34' 38" West - 614.18 feet to a pk nail set in the east right-of-way line of Bay Street (100 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records and also recorded in Volume 485, Page 180 and Volume 487, Page 3 of the Galveston County Deed Records for a southwest corner of this tract; from which a brass disc, "MON 06", found bears South 34° 32' 29" West - 11.58 feet;

THENCE, North 02° 25' 22" West - 30.00 feet with the east right-of-way line of said Bay Street and with the west line of said 237.0539 acre tract to a 1/2-inch iron rod set for the northwest corner of this tract;

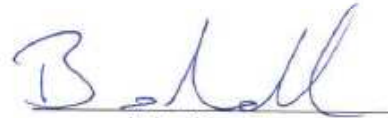
THENCE, North 87° 34' 38" East - 573.39 feet to a 1/2-inch iron rod set for an angle point of this tract;

THENCE, North 43° 00' 53" East - 71.26 feet to a 1/2-inch iron rod set in the north line of said 237.0539 acre tract for an angle point of this tract;

THENCE, North 87° 34' 38" East - 1,343.74 feet with the north line of said 237.0539 acre tract to the POINT OF BEGINNING and containing 11.9412 acre (520,158 square feet) of land.

Note: This metes-and-bounds description was written in conjunction with a survey performed on even date herewith.

COMPILED BY:
Texas Engineering And Mapping Company
Civil Engineers - Land Surveyors
Stafford, Texas
Job No. 5049-3

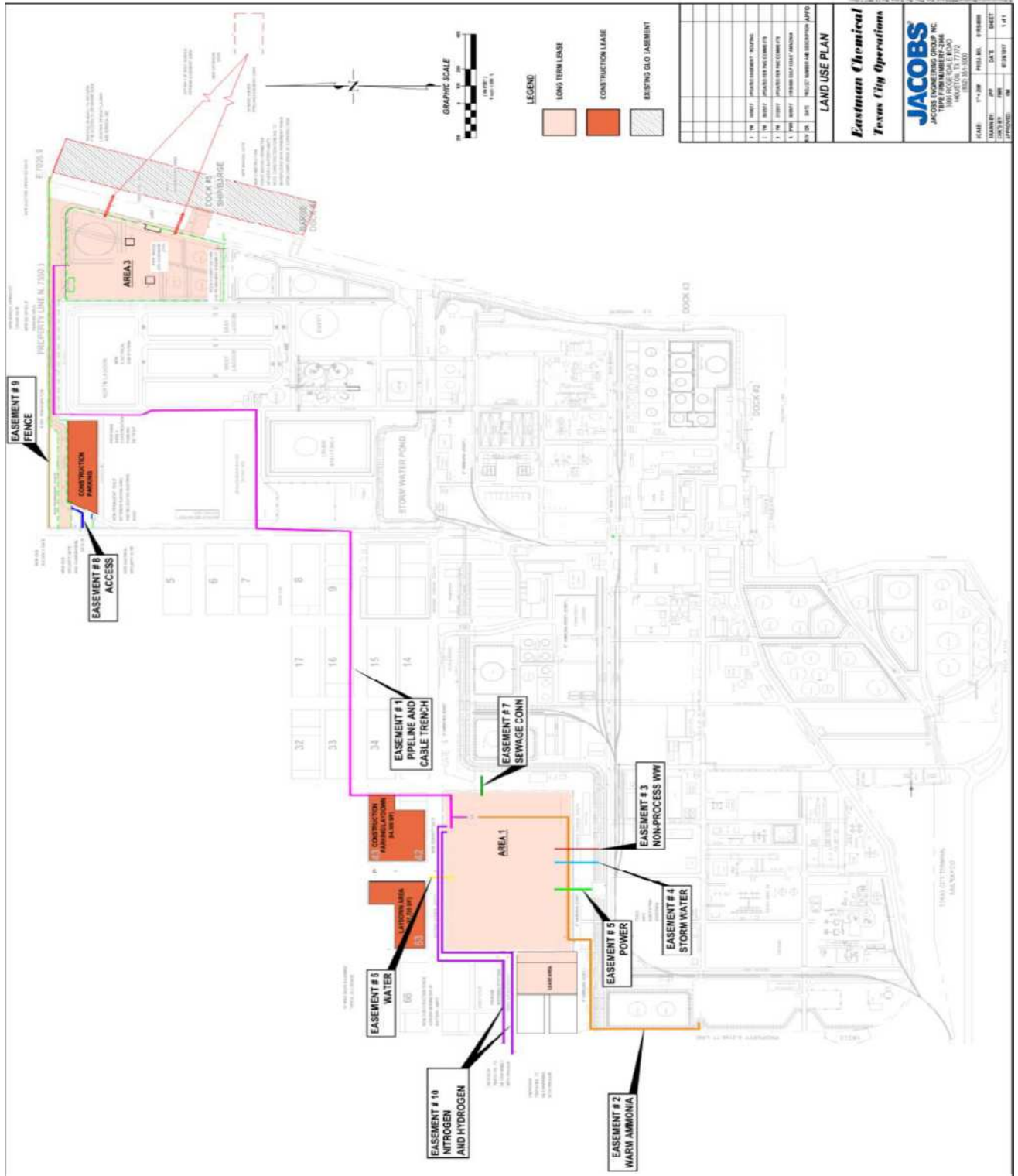


Brian Nesvadba
Registered Professional Land Surveyor
State of Texas No. 5776



EXHIBIT "C"

Easements



ORDINANCE NO. 19-23

AN ORDINANCE OF THE CITY OF TEXAS CITY, TEXAS, AMENDING ORDINANCE 17-32 TO AMEND AND EXPAND THE BOUNDARIES OF THE "TEXAS CITY GULF COAST REINVESTMENT ZONE NO. 1" PREVIOUSLY DESIGNATED FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT INCENTIVES; MAKING NECESSARY FINDINGS; PROVIDING FOR AN EXPIRATION DATE OF THE REINVESTMENT ZONE; RESOLVING ANY CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Texas City ("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; and

WHEREAS, the City previously adopted Ordinance 17-32 on December 6, 2017 amending Ordinance 17-16 to more particularly define the boundaries of the Reinvestment Zone originally created on May 17, 2017, according to revised legal descriptions then available for the real property constituting the Reinvestment Zone, which is depicted by Exhibit "A" attached hereto and incorporate herein; and

WHEREAS, the City complied with the publication and written notice requirements imposed by Texas Tax Code Section 312.201(d) on July 30, 2019, as demonstrated by Exhibit "B" attached hereto and incorporated herein, and thereafter conducted a public hearing during its duly noticed and open public meeting held on Wednesday, August 7, 2019 at 5:00 p.m., regarding the amendment and expansion of "Texas City Gulf Coast Reinvestment Zone No. 1", the purpose of which was to receive public comments concerning the amendment and expansion of the Reinvestment Zone for commercial-industrial tax abatement purposes according to the surveys and site maps referenced as exhibits herein, which are based on the deeds and legal descriptions (whether by metes and bounds or coordinates) and 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; and

WHEREAS, the City finds the improvements proposed by Gulf Coast Ammonia, LLC ("Applicant") according to its Application for Property Tax Abatement and Supplement dated on or about May 23, 2019 and July 1, 2019, respectively, and intended for the Reinvestment Zone made the subject of this amendment and expansion to the Reinvestment Zone are feasible and practical and would benefit the additional real property sought to be included in the Reinvestment Zone as well as the City after the expiration of a tax abatement agreement, if ever executed pursuant to Texas Tax Code Section 312.204, between the real property owners and/or lease

WHEREAS, the City finds that the amended and expanded 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 and personal property contained therein, and will significantly contribute to and enhance the City's further economic development and long-term prosperity pursuant to Sec. 312.202(a)(6); and

WHEREAS, the City finds that the Reinvestment Zone should expire five (5) years after the date of its original designation, which occurred by Ordinance 17-16 on May 17, 2017, in accordance with Texas Tax Code Sec. 312.203.

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

Section 1. Amendment and Expansion of Reinvestment Zone Boundaries. Pursuant to Chapter 312 of Texas Tax Code, the City hereby amends Section 1 of Ordinance 17-32 which previously amended the "Texas City Gulf Coast Reinvestment Zone No. 1" for commercial-industrial tax abatement purposes and hereby expands the Reinvestment Zone's boundaries to include the following areas:

An area of real property described as a tract or parcel containing 1.5639 acres or 68,125 square feet of land being part of Blocks 62 and 63 of Galveston Central Appraisal District ("GCAD") parcel #s 223922, 224332, 224333 and 224334, as depicted by the site map attached hereto as Exhibit "C-1" and incorporated herewith; and

An area of real property described as offshore lands and dock containing 19.22 acres or 837,200 square feet located southwest of Galveston Central Appraisal District ("GCAD") parcel #182510, south of GCAD parcel #372117, and north of GCAD parcel #190609 and GCAD parcel #605759, and an offshore easement running from the shoreline located at GCA parcel #182510 to the aforesaid offshore lands, as depicted by the site map attached hereto as Exhibit "C-2" and incorporated herewith; and

An area of real property described as a 154.5039-acre tract of land being part of GCAD parcel #424200, situated in Abstract 143, H.B. Littlefield Survey, Tracts 17 & 18 (17-10, Galveston County, Texas, , as depicted by the site map attached hereto as Exhibit "C-3" and incorporated herewith.

To demonstrate the expansion areas comprehensively, a site map depicting all areas described above is attached hereto as Exhibit "C-4" and incorporated herewith.

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.

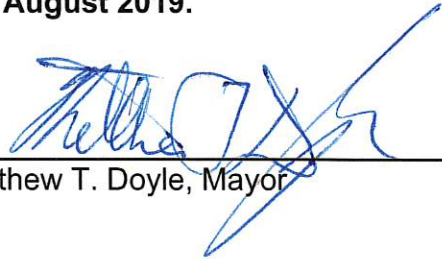
Section 3. Expiration of Zone. In accordance with Sec. 312.203 of the Texas Tax Code, the “Texas City Gulf Coast Reinvestment Zone No. 1” will expire on May 17, 2022, which is five (5) years after the date of its original designation, which occurred by Ordinance 17-16 on May 17, 2017.

Section 4. Conflicts and Limited Repeal. All provisions of Ordinances 17-16 and 17-32 in conflict with the provisions of this Ordinance amending and expanding the boundaries of the Reinvestment Zone are hereby repealed, and all other provisions of Ordinances 17-16 and 17-32 not in conflict with this Ordinance shall remain in full force and effect, it being the intent that Ordinances 17-16, 17-32 and this Ordinance 19-24 concerning the designation, clarification, amendment, and/or expansion of the Reinvestment Zone be read and interpreted cumulatively for their intended purpose.

Section 5. 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.

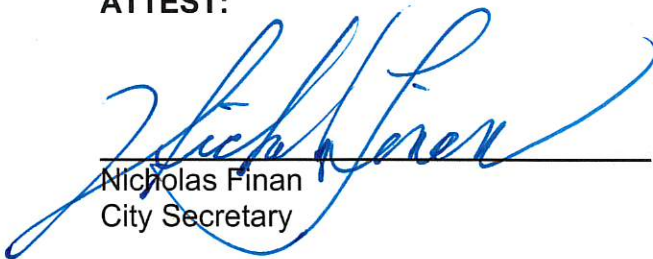
Section 6. Effective date. This Ordinance shall be effective upon its adoption.

PASSED and ADOPTED on this 7th day of August 2019.



Matthew T. Doyle, Mayor

ATTEST:



Nicholas Finan
City Secretary

APPROVED AS TO FORM:



Russell Plackemeier
City Attorney

EXHIBIT "B"

Notice of Public Hearing / Notice to Presiding Officers

(Notices on separate pages)

**NOTICE OF PUBLIC HEARING
ON EXPANSION OF REINVESTMENT ZONE**

**"TEXAS CITY GULF COAST REINVESTMENT ZONE NO. 1"
TEXAS CITY, GALVESTON COUNTY, TEXAS**

WEDNESDAY, AUGUST 7, 2019 AT 5:00 PM

**CITY COMMISSION OF TEXAS CITY
KENNETH T. NUNN COUNCIL ROOM
CITY HALL
1801 NINTH AVENUE NORTH
TEXAS CITY, TEXAS 77590**

The City Commission of the City of Texas City, Galveston County, Texas, at the above-described date, time, and location, will conduct a public hearing to consider designating the following property as an expansion of the "Texas City Gulf Coast Reinvestment Zone No. 1" previously designated by Ordinance 17-32 in accordance with Texas Tax Code Chapter 312 of the Texas Tax Code, to wit:

A tract or parcel containing .7891 acres or 34,374 square feet tract of land being part of Lots 6 thru 16, Block 79 of Texas City; offshore lands containing 19.22 acres or 837,200 square feet located southwest of Galveston Central Appraisal District ("GCAD") parcel #182510, south of GCAD parcel #372117, and north of GCAD parcel #190609 and GCAD parcel #605759; an offshore easement running from the shoreline located at GCA parcel #182510 to the aforesaid offshore lands; and a 154.5039 acre tract of land being part of GCAD parcel #424200, situated in Abstract 143, H.B. Littlefield Survey, Tracts 17 & 18 (17-10, Galveston County, Texas.

All interested parties are encouraged to attend.

Published: July 30, 2019
00475124

CHRISTOPHER L. NICHOLS
MANAGING ATTORNEY
chris@nicholsfirm.com

THE NICHOLS FIRM, PLLC

THE WARRANT BUILDING
1010 N. San Jacinto Street, Suite 100
Houston, Texas 77002
(T) 713-275-7832 | (F) 832-709-2478

July 30, 2019

The Honorable Mark A. Henry
Galveston County
722 Moody Avenue, Suite 200
Galveston, Texas 77550

**VIA FIRST CLASS U.S. MAIL
VIA CMRRR #7018 1130 0002 1729 8455**

Dr. Rodney Cavness, Superintendent
Texas City Independent School District
1700 Ninth Avenue N.
Texas City, Texas 77590

**VIA FIRST CLASS U.S. MAIL
VIA CMRRR #7018 1130 0002 1729 8462**

Dr. Warren Nichols, President
College of the Mainland
1200 Amburn Road
Texas City, Texas 77591

**VIA FIRST CLASS U.S. MAIL
VIA CMRRR #7018 1130 0002 1729 8479**

**Re: Notice of proposed amendment and expansion of "Texas City Gulf Coast Reinvestment Zone No. 1"
Our File No. 4003.3-2019.**

Gentlemen,

Pursuant to TEX. TAX. CODE SEC. 312.201(d), the City of Texas City provides this notice of a proposed amendment and expansion of the Texas City Gulf Coast Reinvestment Zone No. 1 ("Reinvestment Zone") that is located within your taxing authority's boundaries. The Reinvestment Zone was initially created by the City of Texas City by Ordinance 2017-16 adopted on May 17, 2017, and later amended and expanded by Ordinance 2017-32 adopted on December 6, 2017. The proposed amendment enlarges the current Reinvestment Zone by the areas described in the enclosed Notice of Public Hearing which was published today.

Please be advised the Texas City Commissioners will convene in a public meeting where they will hold a public hearing on Wednesday, August 7, 2019, at 5:00 p.m. at the Kenneth T. Nunn Council Room, City Hall, 1801 9th Ave. N., Texas City, Texas 77590, to hear public comments pursuant to 312.201 of the Texas Tax Code on the proposed amendment to the reinvestment zone in conjunction with a possible commercial-industrial tax abatement. The notice of public hearing will be published in the City's official newspaper today, July 30, 2019.

If you have any questions concerning this public hearing, please contact Nick Finan, Executive Director of Management Services, at (409) 643-5916.

Very truly yours,



Christopher L. Nichols

CLN/csh

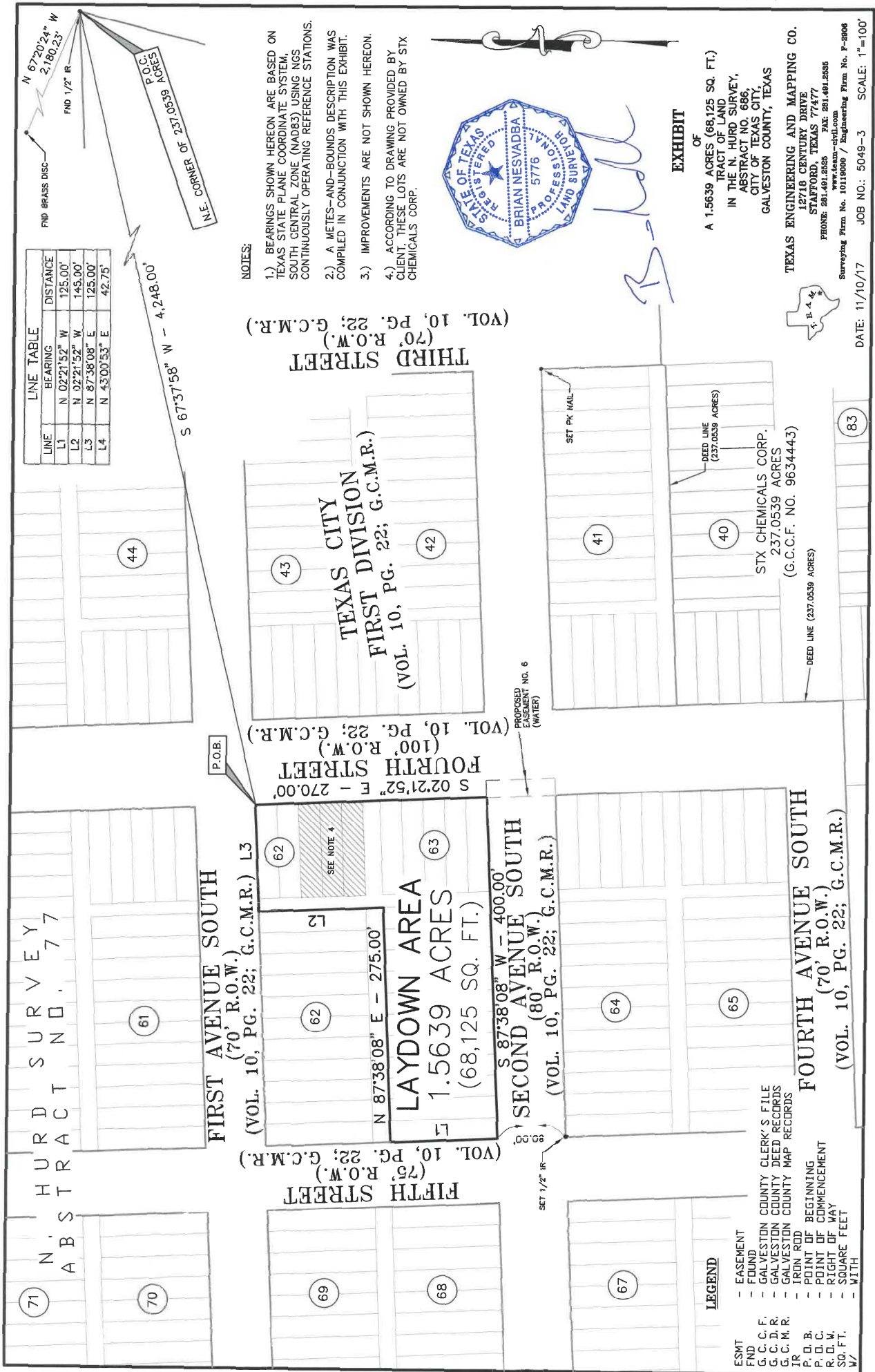
Enclosure (as stated)

cc: Nick Finan, Executive Director Management Services
Justin Herter, Office of the City Attorney
City of Texas City, Texas
(via email)

EXHIBIT "C-1"

An area of real property described as a tract or parcel containing 0.7891 acres or 34,374 square feet tract of land being part of Lots 6 thru 16, Block 79 of Texas City.

(Survey and metes & bounds description on separate pages)



LINE	BEARING	DISTANCE
L1	N 02°21'52" W	125.00'
L2	N 02°21'52" W	145.00'
L3	N 87°38'08" E	125.00'
L4	N 43°00'53" E	42.75'

NOTES:

- 1.) BEARINGS SHOWN HEREON ARE BASED ON TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83) USING NGS CONTINUOUSLY OPERATING REFERENCE STATIONS.
- 2.) A METES-AND-BOUNDS DESCRIPTION WAS COMPILED IN CONJUNCTION WITH THIS EXHIBIT.
- 3.) IMPROVEMENTS ARE NOT SHOWN HEREON.
- 4.) ACCORDING TO DRAWING PROVIDED BY CLIENT, THESE LOTS ARE NOT OWNED BY STX CHEMICALS CORP.

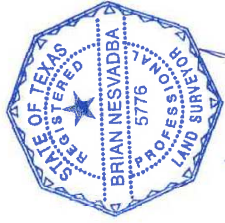


EXHIBIT OF
 A 1.5639 ACRES (68,125 SQ. FT.)
 TRACT OF LAND
 IN THE N. HURD SURVEY,
 ABSTRACT NO. 686,
 CITY OF TEXAS CITY,
 GALVESTON COUNTY, TEXAS

TEXAS ENGINEERING AND MAPPING CO.
 12718 CENTURY DRIVE
 STARFORD, TEXAS 77477
 PHONE: 281.491.2825 FAX: 281.491.2885
 www.team-etm.com
 Surveying Firm No. 10116000 / Engineering Firm No. P-2906

DATE: 11/10/17 JOB NO.: 5049-3 SCALE: 1" = 100'

- LEGEND**
- EASEMENT
 - FOUND
 - GALVESTON COUNTY CLERK'S FILE
 - GALVESTON COUNTY DEED RECORDS
 - GALVESTON COUNTY MAP RECORDS
 - IRON ROD
 - POINT OF BEGINNING
 - POINT OF COMMENCEMENT
 - RIGHT OF WAY
 - SQUARE FEET
 - WITH

83

November 10, 2017

Laydown Area

**1.5639 acres in the N. Hurd Survey, Abstract No. 77,
City of Texas City, Galveston County, Texas**

A FIELD NOTE DESCRIPTION of 1.5639 acres (68,125 square feet) of land in the N. Hurd Survey, Abstract No. 77, City of Texas City, Galveston County, Texas; said 1.5639 acre tract being a portion of Block 62 and all of Block 63, Texas City First Division, according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on the Texas State Plane Coordinate System, South Central Zone using National Geodetic Survey Continuously Operating Reference Stations:

COMMENCING FOR REFERENCE at a 1/2-inch iron rod found for the northeast corner of a 237.0539 acre tract of land conveyed to STX Chemicals Corp., as recorded in Galveston County Clerk's File No. 963443; from which a brass disk found bears North 67° 20' 24" West – 2,180.23 feet;

THENCE, South 67° 37' 58" West – 4,248.00 feet to a point at the intersection of the south right-of-way line of First Avenue South (70 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records with the west right-of-way line of Fourth Street (100 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records for the northeast corner of said Block 63 and for the northeast corner and POINT OF BEGINNING of this tract;

THENCE, South 02° 21' 52" East – 270.00 feet with the west right-of-way line of said Fourth Street and with the east line of said Block 62 & 63 to a point at the intersection of the west right-of-way line of said Fourth Street with the north right-of-way line of Second Avenue South (80 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records for the southeast corner of said Block 63 and for the southeast corner of this tract;

THENCE, South 87° 38' 08" West – 400.00 feet with the north line of said Second Avenue South and with the south line of said Block 63 to a point at the intersection of the north right-of-way line of said Second Avenue South with the east right-of-way line of Fifth Street (75 feet wide), according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records for the southwest corner of said Block 63 and for the southwest corner of this tract; from which a 1/2-inch iron rod found bears South 02° 21' 52" East – 80.00 feet;

THENCE, North 02° 21' 52" West – 125.00 feet with the east right-of-way line of said Fifth Street and with the west line of said Block 63 to a point in the south line of a 20 foot wide alley, according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records for a northwest corner of this tract;

THENCE, North 87° 38' 08" East – 275.00 feet with the south line of said 20 foot wide alley to a point for an interior corner of this tract;

THENCE, North 02° 21' 52" West – 145.00 feet across said 20 foot wide alley and with the west line of a 15 foot wide alley, according to the map or plat recorded in Volume 10, Page 22 of the Galveston County Map Records to a point in the south right-of-way line of said First Avenue South and in the north line of said Block 62 for a northwest corner of this tract;

THENCE, North 87° 38' 08" East – 125.00 feet with the south right-of-way line of said First Avenue South and with the north line of said Block 62 to the POINT OF BEGINNING and containing 1.5639 acres (68,125 square feet) of land.

Notes: This metes-and-bounds description was written in conjunction with a survey performed on even date herewith.

COMPILED BY:
Texas Engineering And Mapping Company
Civil Engineers - Land Surveyors
Stafford, Texas
Job No. 5049-3



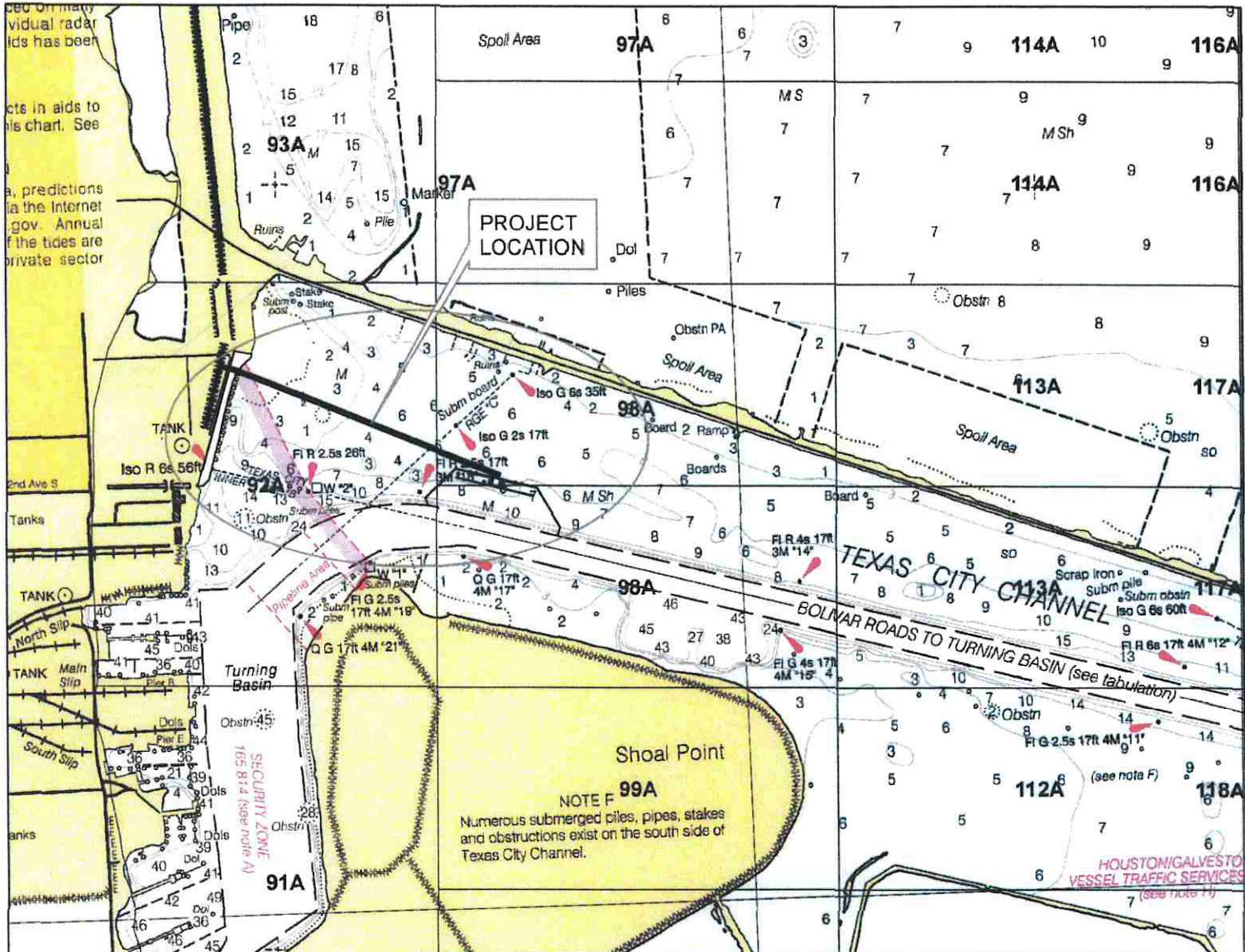
A handwritten signature in blue ink that reads "Brian Nesvadba".

Brian Nesvadba
Registered Professional Land Surveyor
State of Texas No. 5776

EXHIBIT "C-2"

An area of real property described as offshore lands and dock containing 19.22 acres or 837,200 square feet located southwest of Galveston Central Appraisal District ("GCAD") parcel #182510, south of GCAD parcel #372117, and north of GCAD parcel #190609 and GCAD parcel #605759, and an offshore easement running from the shoreline located at GCA parcel #182510 to the aforesaid offshore lands.

(Survey and coordinates description on separate pages)

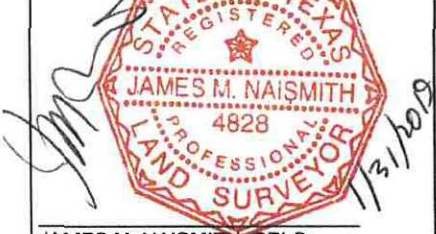


NOTE F 99A
 Numerous submerged piles, pipes, stakes and obstructions exist on the south side of Texas City Channel.

NOTES:

1. ALL COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (#4204), AS DEFINED BY ARTICLE 21.071 OF THE NATURAL RESOURCES CODE OF THE STATE OF TEXAS, 1983 DATUM, US FEET. ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL DISTANCES GRID. THE SCALE FACTOR IS 0.999863574 AND MAPPING ANGLE IS 02d 00' 42".
2. COORDINATES AND ELEVATIONS ARE BASED ON MONUMENTS & ON OPUS SOLUTIONS. VERTICAL DATUM: NAVD88
3. REFERENCE MONUMENT "DIKE 1 2010"
 N: 13,710,407.93
 E: 3,284,601.32
 ELEV: 6.0' MLLW (5.7' NAVD88)
4. BACKGROUND IMAGE: NOAA NAUTICAL CHART 11324: GALVESTON BAY ENTRANCE, HARBOR CHART, 3/1/2017

SURVEYED: FEBRUARY 20, 2018
 SURVEY PERSONNEL: J. ZAC GIESSEL



JAMES M. NAISMITH, RPLS

Naismith Marine
 Hydrographic • Geophysical
 Environmental

WWW.NAISMITHMARINE.COM
 (361) 945-0248
 FIRM#10078500

NO	DATE	REV.
0	1/19	NEW ALIGN

GULF COAST AMMONIA
 1815 PURDY AVENUE
 MIAMI BEACH FL 33139
 MONSANTO SURVEY - A-686
 TEXAS CITY, GALVESTON COUNTY TEXAS
 STATE SUBMERGED LAND - 92A, 98A

1" = 2,000'
 DWN BY: JZG

EXHIBIT A
 VICINITY MAP

DATE:
 FEB 2018

TEXAS CITY

N: 13,711,228.68
E: 3,276,364.81

N: 13,711,293.28
E: 3,277,895.52

N 87°34'54" E
CALLED N 89°35'36" E
1,531.95'

EASTMAN CHEMICAL COMPANY

N: 13,708,842.92
E: 3,277,229.88

S 02°24'25" E
CALLED S 00°23'43" E
922.08'

E: 3277000.00

E: 3278000.00

E: 3279000.00

E: 3280000.00

E: 3281000.00

N: 13712000.00

N: 13711000.00

N: 13710000.00

N: 13709000.00

N: 13,709,000.00
E: 3,276,000.00

PROPOSED SHIP DOCK

TEXAS CITY SHIP CHANNEL

P.T. STA. 35+500.64
36+000
36+996
34+000
35+000
33+000
32+000
31+000

STATE/PRIVATE BOUNDARY & USAGE HARBOR LINE

CL PIPELINE CORRIDOR

PIPELINE BRIDGE

STATE TRACT 92A

TEXAS CITY DIKE

- NOTES:
- 1) ALL COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (#4204), 1983 DATUM, US FEET. ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL DISTANCES GRID. THE SCALE FACTOR IS 0.999863574 AND MAPPING ANGLE IS 02d 00' 42".
 - 2) REFERENCE MONUMENT "DIKE 1 2010"
N: 13,710,407.93
E: 3,284,601.32
ELEV: 6.0' MLLW (5.7' NAVD88)
 - 3) A SENSITIVE RESOURCE AREA SURVEY WAS CONDUCTED BY ARCADIS U.S., INC. DURING OCTOBER OF 2016. NO OYSTER REEFS, SEAGRASS BEDS OR WETLANDS WERE FOUND WITHIN THE PROJECT AREA

SURVEYED: FEBRUARY 20, 2018
SURVEY PERSONNEL: JAC GIESSEL



JAMES M. NAISMITH, RPLS

Naismith Marine
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Environmental
www.naismithmarine.com
(361) 945-0248
FIRM #10078500

NO	DATE	REVISION
0	3/18	PER S.W.
1	1/19	NEW ALIGN

1"=1000'
DWN. BY: JZG
PROJECT SITE MAP

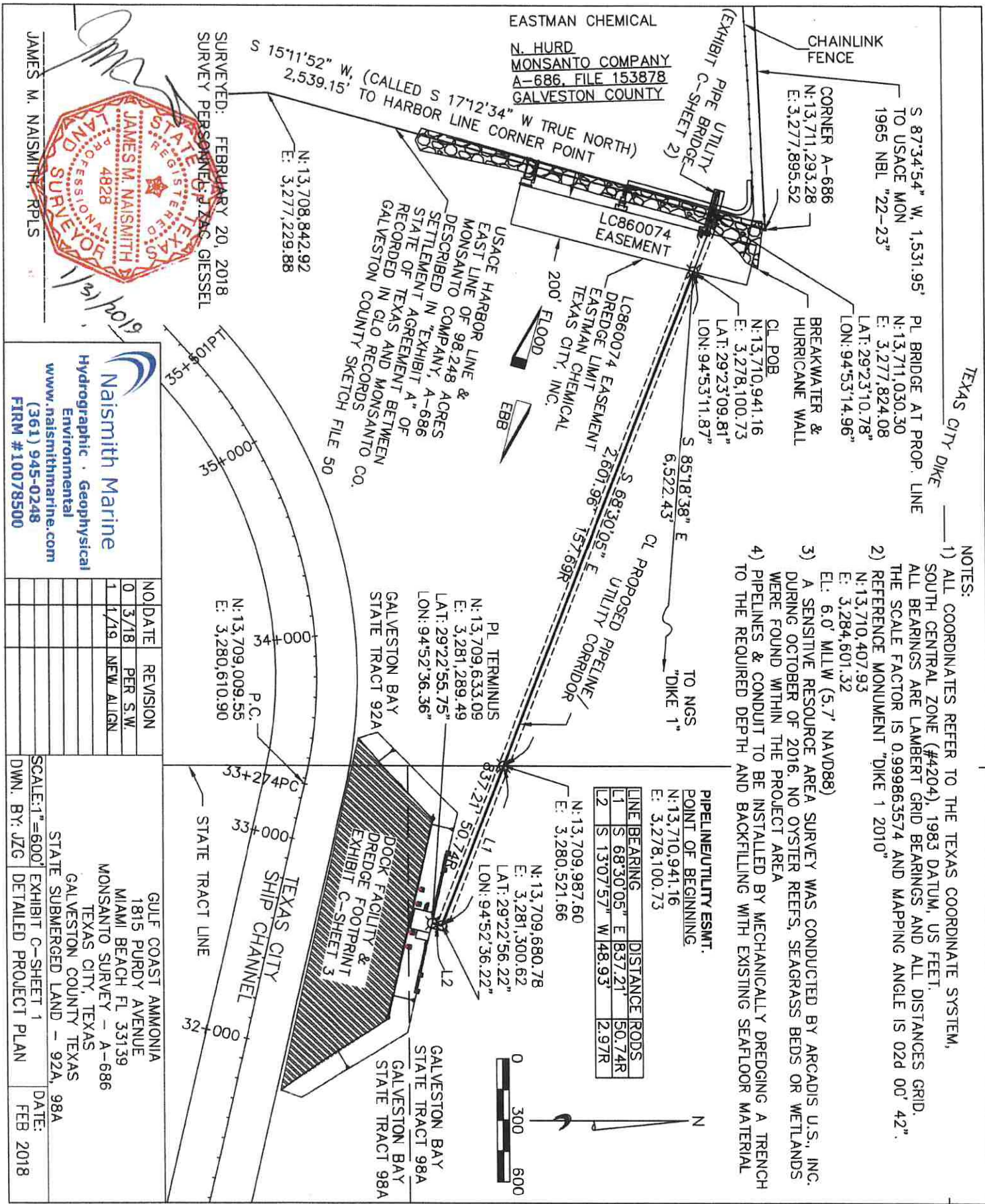
GULF COAST AMMONIA
1815 PURDY AVENUE
MIAMI BEACH FL 33139
MONSANTO SURVEY - A-686
TEXAS CITY, TEXAS
GALVESTON COUNTY TEXAS
STATE SUBMERGED LAND - 92A, 98A

EXHIBIT B
DATE: FEB 2018

TEXAS CITY DIKE

NOTES:

- 1) ALL COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (#4204), 1983 DATUM, US FEET. ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL DISTANCES GRID. THE SCALE FACTOR IS 0.999863574 AND MAPPING ANGLE IS 02d 00' 42".
- 2) REFERENCE MONUMENT "DIKE 1 2010"
- 3) A SENSITIVE RESOURCE AREA SURVEY WAS CONDUCTED BY ARCADIS U.S., INC. DURING OCTOBER OF 2016. NO OYSTER REEFS, SEAGRASS BEDS OR WETLANDS WERE FOUND WITHIN THE PROJECT AREA
- 4) PIPELINES & CONDUIT TO BE INSTALLED BY MECHANICALLY DREDGING A TRENCH TO THE REQUIRED DEPTH AND BACKFILLING WITH EXISTING SEAFLOOR MATERIAL



LINE BEARING	DISTANCE	RODS
L1 S 68°30'05" E	837.21'	50.74R
L2 S 13°07'57" W	148.93'	2.97R

PIPELINE/UTILITY ESMT.	POINT OF BEGINNING
N:13,710,941.16	E:3,278,100.73

JAMES M. NAISMITH, RPLS
 REGISTERED PROFESSIONAL LAND SURVEYOR
 STATE OF TEXAS
 4828

SURVEYED: FEBRUARY 20, 2018
 SURVEY PERSONNEL: JZAC, GIESSEL

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 (361) 945-0248
 FIRM #10078500

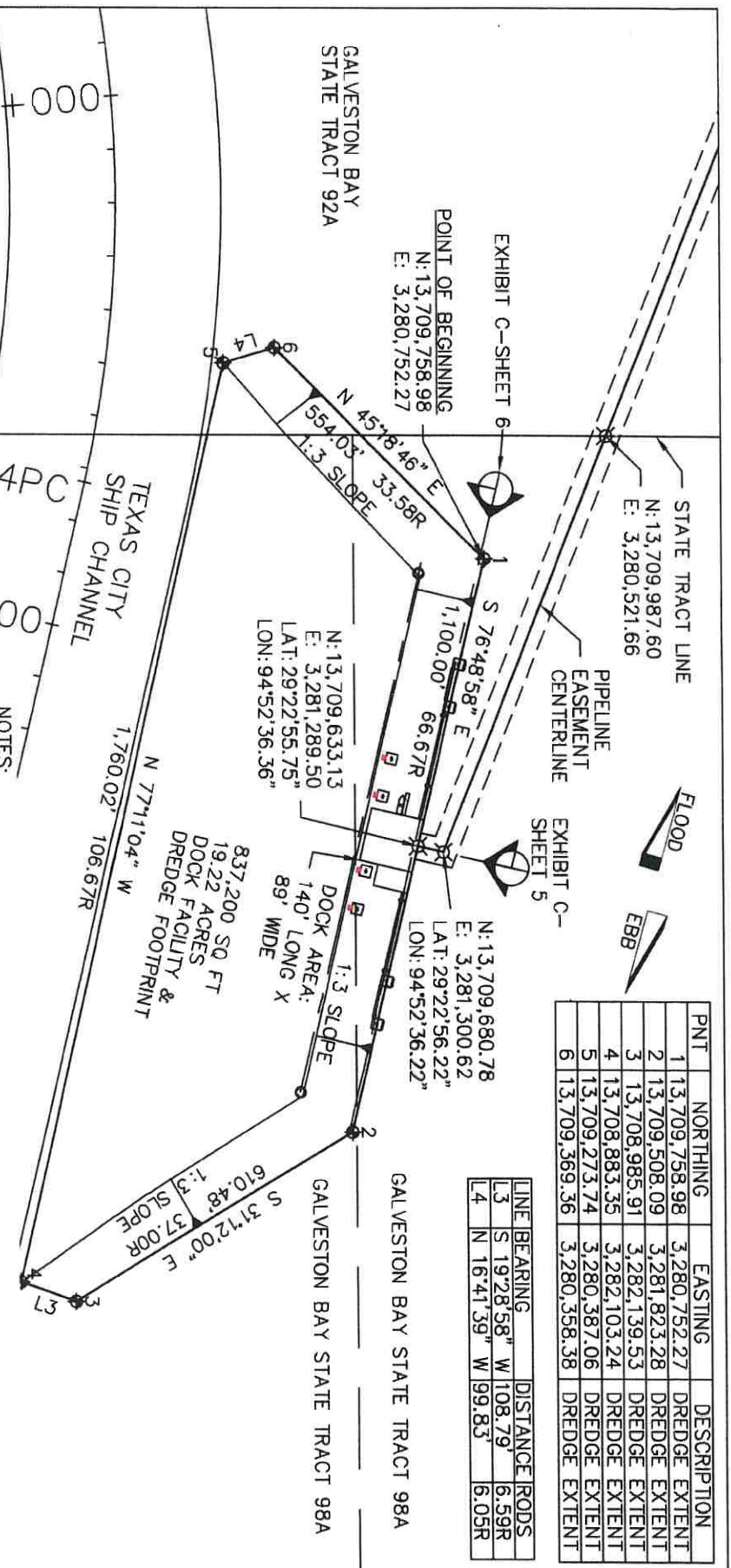
NO.	DATE	REVISION
0	3/18	PER S.W.
1	1/19	NEW ALIGN

SCALE: 1"=600' EXHIBIT C-SHEET 1
 DWN. BY: JZG DETAILED PROJECT PLAN
 DATE: FEB 2018

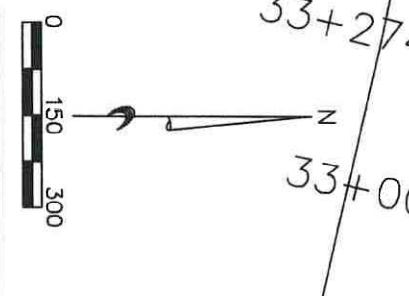
GULF COAST AMMONIA
 1815 PURDY AVENUE
 MIAMI BEACH FL 33139
 MONSANTO SURVEY - A-686
 TEXAS CITY, TEXAS
 GALVESTON COUNTY TEXAS
 STATE SUBMERGED LAND - 92A, 98A

PNT	NORTHING	EASTING	DESCRIPTION
1	13,709,758.98	3,280,752.27	DREDGE EXTENT
2	13,709,508.09	3,281,823.28	DREDGE EXTENT
3	13,708,985.91	3,282,139.53	DREDGE EXTENT
4	13,708,883.35	3,282,103.24	DREDGE EXTENT
5	13,709,273.74	3,280,387.06	DREDGE EXTENT
6	13,709,369.36	3,280,358.38	DREDGE EXTENT

LINE	BEARING	DISTANCE	RODS
3	S 19°28'58" W	108.79'	6.59R
4	N 16°41'39" W	99.83'	6.05R



- NOTES:**
- 1) ALL COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (#4204), 1983 DATUM, US FEET. ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL DISTANCES GRID. THE SCALE FACTOR IS 0.99963574 AND MAPPING ANGLE IS 02d 00' 42".
 - 2) REFERENCE MONUMENT "DIKE 1 2010" N:13,710,407.93 E: 3,284,601.32 EL: 6.0' MLW (5.7' NAVD88)
 - 3) UTILITIES TO BE LOCATED ON THE PIPE BRIDGE INCLUDE:
 - 12" LIQUID AMMONIA, 6" VAPOR RETURN, 4" RECIRC. LINE, 2" NITROGEN LINE,
 - 2" INSTRUMENT AIR LINE, (2)4" COMM. LINE, (2)160V ELECTRIC LINE,
 - 4" WATER LINE, 12" STORMWATER DRAIN LINE
 - 4) PIPELINES & CONDUIT TO BE INSTALLED BY MECHANICALLY DREDGING A TRENCH TO THE REQUIRED DEPTH AND BACKFILLING WITH EXISTING SEAFLOOR MATERIAL



SURVEYED: FEBRUARY 20, 2018
 SURVEY PERSONNEL: JAZAC GIESSEL

JAMES M. NAISMITH, RPLS

STATE REGISTERED PROFESSIONAL LAND SURVEYOR
 JAMES M. NAISMITH
 4828

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 FIRM #10078500

NO/DATE	REVISION	SCALE 1"=300'	EXHIBIT C-SHEET 3	DATE:
0	3/18 PER S.W.	DWN. BY: JZG	DETAILED PROJECT PLAN	FEB 2018
1	1/19 NEW ALIGN			

GULF COAST AMMONIA
 1815 PURDY AVENUE
 MIAMI BEACH FL 33139
 MONSANTO SURVEY - A-686
 TEXAS CITY, TEXAS
 GALVESTON COUNTY TEXAS
 STATE SUBMERGED LAND - 92A, 98A

All coordinates below refer to the Texas Coordinate System, South Central Zone (#4204), as defined by Article 21.071 of the Natural Resources Code of the State of Texas, 1983 Datum, US Feet.

A pipeline easement beginning onshore at the USACE Harbor Line and East Line of a 98.248 acre tract of land referred to as Monsanto Company, A-686 Described in "Exhibit A" of Settlement Agreement between State of Texas and Monsanto Co., recorded in GLO Records, Galveston County sketch file 50, at the following coordinates:

N: 13,711,030.30 (Latitude 29°23'10.78")
E: 3,277,824.08 (Longitude 94°53'14.96")

and continuing from there across offshore lands covered by an offshore easement LC860074 granted by the State of Texas to Eastman Chemical Texas City, Inc. to point at the boundary of offshore easement LC860074 located at:

N: 13,710,941.16 (Latitude 29°23'09.81")
E: 3,278,100.73 (Longitude 94°53'11.87")

and continuing from there South 68 deg. 30 min. 5 sec. East for a distance of 3439.17 feet (or 208.43 rods) across the Galveston Bay State Tract 92A and Galveston Bay State Tract 98A to a point located in Galveston Bay State Tract 98A located at:

N: 13,709,680.78 (Latitude 29°22'56.22")
E: 3,281,300.62 (Longitude 94°52'36.22")

and continuing from there South 13 deg. 7 min 57 sec West for a distance of 48.93 feet (or 2.97 rods) across Galveston Bay State Tract 98A and ending at a point located at:

N: 13,709,633.13 (Latitude 29°22'55.75")
E: 3,281,289.50 (Longitude 94°52'36.36")

and

A tract or parcel of offshore lands containing 19.22 acres or 837,200 square feet located in Galveston Bay State Tract 92A and Galveston Bay State Tract 98A, and being more particularly described as follows:

Beginning at a point located at:

N: 13,709,758.98
E: 3,280,752.27

and continuing South 76 deg. 48 min 58 sec East for 1,100.00 feet (or 66.67 rods) to a point located at:

N: 13,709,508.09
E: 3,281,823.28

and continuing South 31 deg. 12 min 0 sec East for 610.48 feet (or 37.00 rods) to a point located at:

N: 13,708,985.91
E: 3,282,139.53

and continuing South 19 deg 28 min 59 sec West for a distance of 108.79 feet (or 6.59 rods) to a point located at:

N: 13,708,883.35
E: 3,282,103.24

and continuing North 77 deg 11 min 4 sec West for a distance of 1760.02 feet (or 106.67 rods) to a point located at:

N: 13,709,273.74
E: 3,280,387.06

and continuing North 16 deg 41 min 39 sec West for a distance of 99.83 feet (or 6.05 rods) to a point located at:

N: 13,709,369.36
E: 3,280,358.38

and continuing North 45 deg 18 min 46 sec East for a distance of 554.03 feet (or 33.58 rods) to the point of beginning.

EXHIBIT "C-3"

An area of real property described as a 154.5039 acre tract of land being part of GCAD parcel #424200, situated in Abstract 143, H.B. Littlefield Survey, Tracts 17 & 18 (17-10, Galveston County, Texas, , as depicted by the site map attached hereto as Exhibit "B-3" and incorporated herewith.

(Site map and metes & bounds description on separate pages)



PROPOSED RE-INVESTMENT ZONE

Part of Texas City

Industrial

100

107

102

510875

510874

190612

510873

91

141209

301442

349

298477

102

298477

208214

190623

190614

190617

190618

424200

303504

303505

290345

181940

Industrial

EXHIBIT A

Property

ALL THAT CERTAIN 154.5039 ACRE tract of land lying and situated in the H. B. Littlefield Survey, Abstract 143, Galveston County, Texas, being the Western portion of the existing Union Carbide Marine Terminal plant site, being part of all that certain called 435.29 acre tract of land conveyed by deed on May 21, 1962 from the Board of Regents of the University of Texas to Union Carbide Corporation, as recorded in Volume 1495, Page 496 of the Galveston County Deed Records (G.C.D.R.), and being a part of all that certain called 104.184 acre tract of land conveyed by deed on November 13, 1963 from the Texas City Terminal Railway Company to Union Carbide Corporation, as recorded in Volume 1591, Page 669 of the G.C.D.R., said 154.5039 acre tract hereby conveyed being more particularly described by metes and bounds, using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD83), in which the directions are Lambert grid bearings and the distances are surface level horizontal lengths (S.F.= 0.999862341) as follows

BEGINNING at a TxDOT concrete monument found marking an angle point of the Eastern boundary line of the 160 foot wide Texas State Highway Loop 197 right-of-way same being the Western boundary line the Union Carbide Corporation, Marine Terminal property and being 15 feet Easterly at right angles to the original Eastern right-of-way of the former 130 foot wide Texas State Highway Loop 197 same being the original Western boundary line of the aforementioned Union Carbide Corporation called 435.29 acre tract of land conveyed by deed on May 21, 1962 from the Board of Regents of the University of Texas to Union Carbide Corporation, as recorded in Volume 1495, Page 496 of the G.C.D.R., from which the original Southwest corner of the said Union Carbide called 435.29 acre tract of land bears North $71^{\circ}14'49''$ West, a distance of 15.00 feet and South $18^{\circ}45'11''$ West, a distance of 254.79 feet, said TxDOT concrete monument being an angle point of the herein described 154.5039 acre tract, located at position X=3267159.16 and Y=13699967.12;

THENCE North $16^{\circ}56'21''$ East, coincident with the said Eastern right-of-way boundary line of said Texas State Highway Loop 197, same being the present Western boundary line of said Union Carbide Corporation, Marine Terminal called 435.29 acre tract, a distance of 315.93 feet to a set 5/8" iron rod with survey cap, located in the original Eastern right-of-way of the former 130 foot wide Texas State Highway Loop 197 and the original Western boundary line of the said Union Carbide called 435.29 acre tract, for an angle point of the herein described 154.5039 acre tract, at position X=3267251.19 and Y=13700269.31,

THENCE North $18^{\circ}45'42''$ East, coincident with the said Eastern right-of-way boundary line of said Texas State Highway Loop 197, same being the Western boundary line of said Union Carbide Corporation, Marine Terminal called 435.29 acre tract, a distance of 1001.14 feet to a TxDOT concrete monument found marking a 15 foot right-of-way offset point, for an interior point of the herein described 154.5039 acre tract, at position X=3267573.15 and Y=13701217.12;

THENCE North 71°14'18" West, coincident with the Northeastern right-of-way boundary line of said Texas State Highway Loop 197, same being a Southwestern boundary line of said Union Carbide Corporation, Marine Terminal called 435.29 acre tract, a distance of 15.00 feet to a set 5/8" iron rod with survey cap, for an exterior corner of the herein described 154.5039 acre tract, at position X=3267558.95 and Y=13701221.94;

THENCE North 18°45'42" East, coincident with the said Eastern right-of-way boundary line of said Texas State Highway Loop 197, same being the Western boundary line of said Union Carbide Corporation, Marine Terminal called 435.29 acre tract, at a distance of 92.08 feet pass the Northwest corner of the said Union Carbide Corporation, Marine Terminal called 435.29 acre tract, same being the Southwest corner of the aforementioned all that certain called 104.184 acre tract of land conveyed by deed on November 13, 1963 from the Texas City Terminal Railway Company to Union Carbide Corporation, as recorded in Volume 1591, Page 669 of the G.C.D.R., continuing for a total distance of 644.28 feet to a 5/8" iron rod with survey cap set at the Northwest corner of the said Union Carbide called 104.184 acre tract, same being the Southwest corner of all that certain residual of Tract "B" a called 170.21 acre tract of land conveyed by deed on June 22, 1942 from the Board of Regents of the University of Texas to Texas City Terminal Railway Company, as recorded in Volume 645, Page 294 of the G.C.D.R., and being the Southwest corner of all that certain called 20.47 acre tract of land described in lease description by Robert Adams, Registered Public Surveyor, Number 1002, on January 21, 1976 from the Texas City Terminal Railway Company to the Union Carbide Corporation, for the Northwest corner of the herein described 154.5039 acre tract, at position X=3267766.14 and Y=13701831.90;

THENCE North 88°01'09" East, coincident with the Northern boundary line of said Union Carbide Corporation called 104.184 acre tract, same being the Southern boundary line of said Texas City Terminal Railway Company residual called 170.21 acre tract and the Southern boundary of the said Union Carbide called 20.47 acre lease tract, at a distance of 327.33 feet pass the most Southerly Southeast corner of the said Union Carbide called 20.47 acre lease tract, continuing for a total distance of 748.66 feet to a point in the Union Carbide Turning Basin on the North side of Barge Dock #65, for an interior corner of the herein described 154.5039 acre tract, at position X=3268514.25 and Y=13701857.78;

THENCE North 18°45'42" East, coincident with the Northwestern boundary line of said Union Carbide Corporation called 104.184 acre tract, same being the Southeastern boundary line of said Texas City Terminal Railway Company residual called 170.21 acre tract, a distance of 390.23 feet to a point in the Union Carbide Turning Basin, for an exterior corner of the herein described 154.5039 acre tract, at position X=3268639.94 and Y=13702227.23;

THENCE North 88°01'09" East, coincident with the Northern boundary line of said Union Carbide Corporation called 104.184 acre tract, same being the Southern boundary line of said Texas City Terminal Railway Company residual called 170.21 acre tract, a distance of 119.82 feet to a point in the Union Carbide Turning Basin, for an interior corner of the herein described 154.5039 acre tract, at position X=3268759.68 and Y=13702231.23,

THENCE North 1°58'51" West, coincident with the Western boundary line of said Union Carbide Corporation called 104.184 acre tract, same being the Eastern boundary line of said

Texas City Terminal Railway Company residual called 170.21 acre tract, a distance of 25.00 feet to a point in the Union Carbide Turning Basin, for an exterior corner of the herein described 154 5039 acre tract, at position X=3268758.81 and Y=13702256.35;

THENCE North 88°01'09" East, coincident with the Northern boundary line of said Union Carbide Corporation called 104.184 acre tract, same being the Southern boundary line of said Texas City Terminal Railway Company residual called 170.21 acre tract, a distance of 1527.54 feet to a point in the 200 foot wide Union Carbide barge channel, for the Northeast corner of the herein described 154.5039 acre tract, at position X=3270285.02 and Y=13702309.13;

THENCE South 1°58'51" East, at a distance of 405.57 feet pass the Northern boundary line of the said Union Carbide Corporation, Marine Terminal called 435.29 acre tract, same being the Southern boundary line of the said Union Carbide Corporation called 104.184 acre tract, at a distance of 510.25 feet pass a 5/8" iron rod with survey cap set for reference point, at a distance of 1246.9 feet pass an existing 8 foot tall chain link Union Carbide Plant perimeter fence post, continuing generally along and 1 foot East of said existing 8 foot tall chain link Union Carbide Plant perimeter fence for a total distance of 1878.79 feet to a 5/8" iron rod with survey cap set for an interior corner of the herein described 154.5039 acre tract, at position X=3270349.96 and Y=13700431.73;

THENCE North 88°01'09" East, generally along and 1 foot North of said existing 8 foot tall chain link Union Carbide Plant perimeter fence for a distance of 27 99 feet to a 5/8" iron rod with survey cap set for an exterior corner of the herein described 154 5039 acre tract, at position X=3270377.93 and Y=13700432.70;

THENCE South 1°58'51" East, generally along and 1 foot East of said 8 foot tall chain link fence line at a distance of 460.9 feet pass a fence corner post, continuing for a total distance of 587.06 feet to a set 5/8" iron rod with survey cap located in the Southern boundary line of the aforementioned called 435.29 acre tract of land conveyed by deed on May 21, 1962 from the Board of Regents of the University of Texas to Union Carbide Corporation, as recorded in Volume 1495, Page 496 of the G.C.D.R., same being the Northern boundary of all that certain called 442.68 acre tract of land conveyed by deed on July 19, 1968 from the Board of Regents of the University of Texas to Union Carbide Corporation, as recorded in Volume 1963, Page 748 of the G C.D.R., and the Northern boundary line of a 150 foot wide Galveston County Drainage Easement, for the Southeast corner of the herein described 154.5039 acre tract, at position X=3270398.22 and Y=13699846.06;

THENCE South 88°01'09" West, coincident with the Southern boundary line of the said Union Carbide Corporation called 435.29 acre tract, same being the Northern boundary line of said Union Carbide Corporation called 442.68 acre tract, and the Northern boundary line of said 150 foot wide Galveston County Drainage Easement, a distance of 3321.58 feet to a set 5/8" iron rod with survey cap located in the Eastern boundary line of the 160 foot wide Texas State Highway Loop 197 right-of-way same being the Western boundary line the Union Carbide Marine Terminal property and being 15 feet Easterly at right angles to the original Eastern right-of-way of the former 130 foot wide Texas State Highway Loop 197 same being the original Southwest corner of the said Union Carbide called 435.29 acre tract, from which the original Southwest

corner of the said Union Carbide called 435.29 acre tract of land bears South 88°01'09" West, a distance of 16.04 feet for Southwest corner of the herein described 154.5039 acre tract, at position X=3267079.08 and Y=13699731.27;

THENCE North 18°45'11" East, coincident with the said Eastern right-of-way boundary line of said 160 foot wide Texas State Highway Loop 197, same being the Western boundary line of said Union Carbide Marine Terminal tract and being 15 feet Easterly at right angles to the original Eastern right-of-way of the former 130 foot wide Texas State Highway Loop 197 same being the Western boundary line of the said Union Carbide called 435.29 acre tract, a distance of 249.11 feet to the **POINT OF BEGINNING**, containing 154.5039 acres of land, more or less

EXHIBIT "C-4"

Comprehensive Site Map of Expansion Areas

(Block #63, OilTanking Area #2 and Offshore Dock)



Exhibit B
Gulf Coast Ammonia LLC Tax Abatement Application

See Attached

2-1
710-234

121

GULF COAST AMMONIA LLC 07-15

DATE 5/14/2019 PMP

PAY TO THE ORDER OF The City of Texas City \$ 50,000.00
Fifty thousand & 00/100 DOLLARS

Heat
Reactive
Ink
←

J.P.Morgan

Founded 1799
JPMorgan Chase Bank, N.A.
Chicago, Illinois

MEMO Abatement Application

Elizabeth Salas MP

⑆071000013⑆

⑆263508421012⑆

LOOK FOR FRAUD-DETECTING FEATURES INCLUDING THE SECURITY SQUARE AND HEAT-REACTIVE INK. DETAILS ON BACK.

Vinson & Elkins

Alberto P. Cardenas, Jr. bcardenas@velaw.com
Tel +1.713.758.3264 Fax +1.713.615.5980

Via FedEx

May 23, 2019

Hon. Matthew T. Doyle
City Hall - City of Texas City
1801 9th Avenue North
Texas City, Texas 77592

Re: Gulf Coast Ammonia LLC Tax Abatement Application

Dear Mayor Doyle:

Please accept this letter as a formal application on behalf of our client, Gulf Coast Ammonia LLC (“GCA”), for consideration of a tax abatement agreement with the City of Texas City (the “City”).

As shared with you in our confidential discussions, GCA is working toward financial closing for the construction of its ammonia production facility located within the City of Texas City. Once negotiations with our contractual counterparties conclude, the financing of our project closes, and the tax abatement agreements with the City of Texas City, Texas City ISD, the College of the Mainland and Galveston County are in place, GCA proposes to complete design and construction of a new distribution facility for the production of ammonia (“*The Project*”) within a little more than three years.

The proposed improvements for which the Project seeks property tax abatement includes, but is not limited to, site development, new construction and operation of a hydrogen and nitrogen production facilities and an ammonia production facility with a production capacity of 3600 metric tons per day. The ammonia facility’s construction cost is budgeted at \$600,000,000 and the expected value of the Project at the end of the tax abatement period is currently estimated to be \$450,000,000. We note that as of January 1 of the year preceding the abatement, it will be difficult for GCA to determine the value of the abatable improvements on the land, as construction will still be ongoing at that time. Until the entire facility is completed, commissioned and placed in service, the uncompleted and inoperable work in progress has little, if any, value.

As you are aware, GCA, the City and Eastman Chemical Texas City, Inc. (“*Eastman*”) previously, in December of 2017, entered into a Chapter 312 Tax Abatement (the “*312 Agreement*”), and GCA and the City entered into a Chapter 380 Economic Development and Performance Agreement for Property Located in the Texas City Gulf Coast Reinvestment Zone No.1 (the “*380 Agreement*”, and together with the 312 Agreement, the “*Existing Abatement Agreements*”). The Existing Abatement Agreements were executed under a reinvestment zone created pursuant to Ordinance No. 17-16, and



encompassed certain land owned by Eastman and Leased to GCA within the jurisdictional boundaries of the City at Property ID 223922 and Property ID 182510 (the “*Existing Reinvestment Zone*”).

GCA is now exploring the option to locate a portion of the Project - its ammonia storage tank - at a site owned by Oiltanking North America, LLC (“*Oiltanking*”) and to contract with Oiltanking for terminalling services. However, it will be some months before GCA and Oiltanking can obtain the necessary permits and right-of-way to effect such a change. GCA and Oiltanking will make a decision within the first year after construction of the Project commences as to how they will proceed regarding the location of the ammonia storage tank, be it at the Eastman site or at the Oiltanking site. As such, GCA now seeks to amend its reinvestment zone to encompass both the lands covered by the Existing Reinvestment Zone as well as additional land at both the Eastman site and the Oiltanking site to allow for such a change.

The various lands that GCA seeks to have including in a reinvestment zone, and ultimately be subject to a tax abatement agreement, are depicted in the enclosed maps. In addition to the land included in the Existing Reinvestment Zone, as the enclosed maps depict, GCA would also then lease from Eastman Block 67, an additional parcel of land included in Property ID 223922, and also land at the Oiltanking site included in Property ID 424200 (collectively, the “*New Land*”). GCA has metes and bounds surveys and a lease in place for the land located at the Eastman site that is subject to the Existing Abatement Agreements, but does not yet have such legal descriptions or leasehold interests for the New Land.

The property tax abatement is critical to the ability for the Project to move forward in Galveston County. Without the property tax abatement, the impact of comparatively high Texas property taxes on the cost of the project does not result in a competitive rate of return in comparison to other potential investments. Securing the property tax abatement is one of many steps required by GCA to secure the necessary, competitive commercial contracts required for the project’s financing. Without the property tax abatement, GCA may be forced to abandon the project and allocate its capital and prospective investment funds to other investments where the rate of return is higher.

We very much appreciate the City’s consideration of our client’s tax abatement application and look forward to working with you in the coming weeks.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Alberto P. Cardenas, Jr." in a cursive script.

Alberto P. Cardenas, Jr.

**APPLICATION FOR PROPERTY TAX ABATEMENT
CITY OF TEXAS CITY, TEXAS
(INDUSTRY)**

APPLICATION INSTRUCTIONS

If an Applicant's proposed development qualifies for Tax Abatement pursuant to the initial eligibility criteria established by the City Commission of the City of Texas City, Texas ("City"), as may be amended, the Applicant for Tax Abatement must complete an Application for Property Tax Abatement and submit it, along with all required attachments (collectively the "Application"), to the City Secretary. The Application will become part of any subsequent tax abatement agreement, if approved, and any knowingly false representations by the Applicant or its representatives will be grounds to void or otherwise terminate any tax abatement agreement based on the information contained herein or other agreement authorized and executed in conjunction with a tax abatement agreement. The Applicant must verify that the property subject to the tax abatement is located within the corporate limits of the City of Texas City, Texas ("City").

APPLICATION FEE

Upon the Applicant's submission of the Application, the Applicant must also pay a non-refundable application fee. The application fee and payment terms for industry related tax abatements shall be determined by the City ("Application Fee").

DISCLOSURE

The City Commission retains the sole authority to approve or deny any Tax Abatement Agreement and is under no obligation to approve any Application or proposed Tax Abatement Agreement.

The City Commission's adoption of tax abatement guidelines and criteria does not (1) limit the City Commission's discretion to decide whether to enter into a specific tax abatement agreement; (2) limit the City Commission's discretion to delegate to its employees the authority to determine whether or not the City Commission should consider a particular application or request for tax abatement; or (3) create any property, contractual, or other legal right of the applicant, person, or entity to have the City Commission consider or grant a specific tax abatement application.

CONFIDENTIALITY

Pursuant to Texas Tax Code Sec. 312.003, information the Applicant provides to the City in connection with its application or request for a tax abatement under Chapter 312 of the Texas Tax Code that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the Applicant seeks a tax abatement is confidential and not subject to public disclosure until the tax abatement agreement is executed. The Applicant's information in the custody of the City after the agreement is executed is not confidential under this section.

APPLICANT INFORMATION

APPLICATION DATE: 5/23/2019

COMPANY NAME: Gulf Coast Ammonia LLC

COMPANY'S HEADQUARTERS ADDRESS: 1815 Purdy Avenue

CITY: Miami Beach **STATE:** FL **ZIP:** 33139

TELEPHONE: _____ **FAX:** _____

COMPANY'S LOCAL ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

LOCAL TELEPHONE: _____ **LOCAL FAX:** _____

- BUSINESS ENTITY:**
- | | | | |
|-------------------------------------|---------------------------|--------------------------|-------------|
| <input type="checkbox"/> | Sole Proprietor | <input type="checkbox"/> | DBA |
| <input type="checkbox"/> | Partnership | <input type="checkbox"/> | Corporation |
| <input checked="" type="checkbox"/> | Limited Liability Company | <input type="checkbox"/> | Other |

If "PARTNERSHIP," please explain in detail applicant's partnership structure:

If "DBA" or "OTHER," please explain in detail the applicant's business entity structure:

State of Incorporation: DE Years in Galveston County? 0

Is the Applicant authorized to do business in the state of Texas? YES NO

Has the Applicant ever filed for bankruptcy? YES NO

(continued on next page)

If "YES", please explain in detail the applicant's bankruptcy history including but not limited to dates and bankruptcy court(s) having jurisdiction over any bankruptcy proceedings.

REGISTERED AGENT:

REGISTERED AGENT NAME: C T CORPORATION SYSTEM

BUSINESS / FIRM: _____

AGENT'S ADDRESS: 1999 Bryan ST., STE. 900

CITY: Dallas **STATE:** TX **ZIP:** 75201

TELEPHONE: _____ **EMAIL:** _____

COMPANY REPRESENTATIVE AUTHORIZED FOR APPLICANT:

NAME: Alberto Cardenas

TITLE: Counsel

ADDRESS: 1001 Fannin Street, Suite 2500

CITY: Houston **STATE:** TX **ZIP:** 77002

TELEPHONE: (713) 758-3264 **EMAIL:** bcardenas@velaw.com

(continued on next page)

AUTHORIZED COMPANY OFFICIAL:

NAME: Hamza Slimani

TITLE: CEO

ADDRESS: 1815 Purdy Avenue

CITY: Miami Beach **STATE:** FL **ZIP:** 33139

TELEPHONE: (212) 315-3686 **EMAIL:** hslimani@agrifos.com

AUTHORIZED SIGNATURE ON BEHALF OF APPLICANT: H. Slimani

BY SIGNING THIS APPLICATION, THE APPLICANT AND ITS AUTHORIZED COMPANY OFFICIAL REPRESENT TO THE CITY OF TEXAS CITY, TEXAS THAT THE INFORMATION CONTAINED HEREIN IS TRUTHFUL, ACCURATE, AND CORRECT. THE APPLICANT AND ITS AUTHORIZED COMPANY OFFICIAL FURTHER UNDERSTAND THAT ANY CHANGES TO THE INFORMATION CONTAINED HEREIN REQUIRE THE APPLICANT OR ITS AUTHORIZED COMPANY OFFICIAL TO NOTIFY THE CITY OF TEXAS CITY, TEXAS WITHIN THIRTY (30) DAYS.

PROJECT INFORMATION

- PROJECT CATEGORY:** Warehouse
(choose all that apply) Manufacturing
 Research & Development
 Regional Distribution
 Regional Service Center
 General Office Building(s)
 Other

If "OTHER," please describe in detail the type of project or facility:

- PROJECT TYPE:** New Facility or Structure
(choose all that apply) Expansion of Existing Facility or Structure
 Modernization of Existing Facility or Structure
 Other

Please describe in detail the products or services to be provided by Project:

The Project will manufacture ammonia, which is used in the production of fertilizers, fibers, and plastics. Hydrogen and nitrogen gas will be produced at an on-site steam methane reformer and air separation unit, and these gasses will be used as raw feedstocks for the production of ammonia. Once produced, the ammonia will be stored in an on-site ammonia storage tank.

Ammonia will be loaded onto vessels and barges that arrive at a dock constructed near the ammonia storage tank dock constructed near the ammonia storage tank. Ammonia may also be shipped to some customers via pipeline.

PROJECT DESCRIPTION: Provide a statement fully describing or explaining the proposed project, including a description of the proposed project site improvements as well as a list of fixed machinery and equipment for which applicant seeks tax abatement. (Attach additional pages if necessary.)

Gulf Coast Ammonia LLC plans to design and construct a new ammonia production facility.

The plant will manufacture ammonia, which is used in the production of fertilizers, fibers, and plastics through the on-site production of hydrogen and nitrogen feedstock gasses.

Construction of the proposed facility is expected to begin in late 2019 with commercial operations commencing in 2023.

The proposed improvements for which the tax limitation is sought includes, but is not limited to, site development, storage tanks, ammonia synthesis loop, pumps, piping, control equipment and facilities, steam methane reformer, air separation unit, and other chemical processing equipment.

The list of property for which Gulf Coast Ammonia seeks tax abatement includes, but is not limited to the following:

- | | |
|------------------------------------|---------------------------------------------------|
| - Synthesis Loop | - Storage Tank |
| - Refrigeration System | - Process Control Buildings |
| - Cooling tower | - Flare Stacks |
| - Heat Exchangor | - Reactors |
| - Steam Methane Reformer | - Compressors |
| - Air Separation Unit | - Warehouse, Maintenance, and all other buildings |
| - Vacuum Systems | - Transformers |
| - Motors and Motor Control Centers | - Dock |

PROJECT LOCATION:

PHYSICAL ADDRESS: Eastman Chemical Texas City - 201 Bay Street South
Oiltanking Texas City – 2800 Loop 197 South

CITY: Texas City **STATE:** TX **ZIP:** 77590

MAILING ADDRESS: Gulf Coast Ammonia LLC, 1815 Purdy Avenue

CITY: Miami Beach **STATE:** FL **ZIP:** 33139

PROJECT LEGAL DESCRIPTION:

Is the Applicant the owner of the real property where the Project will be located? YES NO

If "NO," does the Applicant have an executed lease for the real property where the Project will be located? YES NO
(please see cover letter)

** Please submit a map, survey or plat of the project's legal description with the application.*

TAX ACCOUNT NUMBERS: 32056951828 **NAICS #:** 325311

REINVESTMENT ZONE INFORMATION:

Is the Project already located in a tax reinvestment zone? YES NO
(please see cover letter)

If "YES", identify the jurisdiction and state the date the tax reinvestment zone was created? Please see cover letter

If "NO," does the Applicant have a metes and bounds survey of the real property for the necessary reinvestment zone? YES NO
(please see cover letter)

** Please submit a map of the proposed reinvestment zone with the application, if applicable.*

(continued on next page)

OTHER TAX ABATEMENTS:

Does Applicant intend on seeking tax abatement from Galveston county? YES NO

Does Applicant intend on seeking a Chapter 313 Property Value Limitation Agreement with a school district? YES NO

Texas City Independent School District

SCHOOL DISTRICT(S): _____

PRIOR TAX ABATEMENT INFORMATION:

Has the Applicant previously received tax abatement from the City? YES NO

If "YES", date(s) tax abatement agreement(s) executed? January 31, 2018

Has the Applicant already requested a tax abatement or property value limitation for this Project from another taxing jurisdiction? YES NO

If "YES", please provide the following information:

1. Name of each taxing jurisdiction & contact? _____

Texas City Independent School District (Rodney Cavness)

Galveston County (Myrna Reingold)

The College of the Mainland (Clem Burton)

2. Date(s) for each tax abatement application: _____

Texas City Independent School District
(07/22/2016)

Galveston County (6/1/2017);

The College of the Mainland (1/12/2018)

3. Date(s) for upcoming public hearing(s) relating to tax abatement application(s)? _____

N/A

4. Date each tax abatement agreement was considered by another taxing jurisdiction? _____

The College of the Mainland (March, 2018)

Texas City Independent School District (December, 2017)

5. Date each tax abatement agreement executed? _____

The College of the Mainland (April, 2018)

Texas City Independent School District (December, 2017)

Has applicant included copies of its previous tax abatement applications or prior agreements with this application?

YES NO

If "NO", does the Applicant agree to supplement its application with copies of its previous tax abatement applications or agreements?

YES NO

If "NO," please describe in detail why not?

Has any taxing jurisdiction issued the Applicant a letter of intent (LOI) to enter into a tax abatement??

YES NO

If "YES", identify the jurisdiction issuing the LOI: _____

Galveston County

Has applicant included copies of its LOIs with this application?

YES NO

If "NO", does the Applicant agree to supplement its application with copies of its LOIs?

YES NO

If "NO," please describe in detail why not?

ECONOMIC INFORMATION

What year does the Applicant request tax abatement begin? _____

2023

How many years does the Applicant request tax abatement to continue? _____

10 Years

(10 year maximum)

CONSTRUCTION ESTIMATES:

Start Month/Year: 09 / 2019 Contract Amount \$ \$600,000,000
 Completion Date: 12 / 2022 Peak Construction Jobs: 150 FTE Construction Man-Years: 450

IF MODERNIZATION:

Estimated current economic life of existing structure: _____ years
 Added economic life from modernization: _____ years

PERMANENT JOB CREATION AND RETENTION OF EXISTING PERMANENT JOBS IN GALVESTON COUNTY?

Current employment: 0
 Jobs to be retained: 0

Jobs to be created after three (3) years from contract inception: 40 at Jan. 1, 2023

TEXAS CITY RESIDENCY REQUIREMENTS:

Does the Applicant agree to require its senior executive employees, project managers, and other employees receiving compensation in the top 25th percentile to relocate to the City of Texas City or its extraterritorial jurisdiction? YES NO

If "NO," explain why not: GCA will encourage its employees to reside in the City of Texas City, but as GCA will be a new employer, it is difficult for us to guarantee that they will.

STATED APPRAISED VALUE ON SITE:

<u>STATED APPRAISED VALUE ON SITE</u>	LAND	IMPROVEMENTS	TOTAL
Value as of January 1 st preceding abatement (per Galveston County Appraisal District Records and Account Number)	<u>\$650,000</u>	<u>\$ (See cover letter)</u>	<u>\$ (See cover letter)</u>
<u>Stated</u> value of new abatable investment (Buildings)	<u>\$</u>	<u>\$ 90,000,000</u>	<u>\$ 90,000,000</u>
<u>Stated</u> value of new abatable fixed and in place machinery and equipment	<u>\$</u>	<u>\$ 360,000,000</u>	<u>\$ 360,000,000</u>
<u>Stated</u> value not subject to abatement (e.g. inventory)	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Stated</u> value of property subject to ad valorem tax at end of abatement	<u>\$</u>	<u>\$ 450,000,000</u>	<u>\$ 450,000,000</u>

DIRECT TAX PAYMENT PERMIT: (Minimum of \$800,000.00 annually in taxable items required)

Does the Applicant agree to obtain a Texas Direct Payment Permit from the Texas Comptroller in conjunction with the Applicant's construction of its Project? YES NO

If "NO," explain why not: _____

PAYMENTS IN LIEU OF TAXES (PILOTs):

Is the Applicant willing to participate in payments in lieu of taxes to the City to offset the tax abatement? YES NO

VARIANCE:

Is the Applicant seeking a variance to the tax abatement guidelines? YES NO

If "YES", attach a letter requesting and justifying the basis for the variance along with any other supplemental information that may be relevant to your request.
See cover letter

FOR INTERNAL USE ONLY


APPLICATION RECEIVED ON: _____


APPLICATION RECEIVED BY: _____ **TITLE:** _____

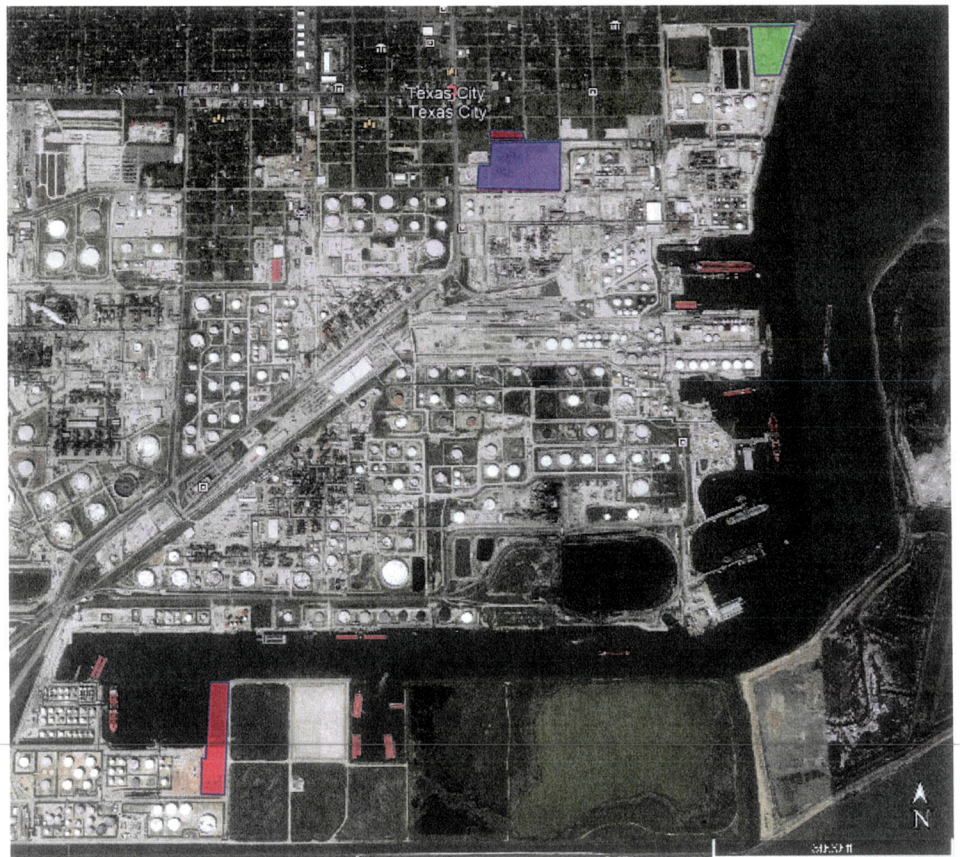
APPLICATION FEE RECEIVED ON: _____

TAX ABATEMENT TERMS APPROVED (subject to execution of tax abatement agreement):

Tax Abatement Areas

 Areas used if tank located at Eastman Site

 Areas used if tank located at Oiltanking Site



Via FedEx

July 1, 2019

Hon. Matthew T. Doyle
City Hall - City of Texas City
1801 9th Avenue North
Texas City, Texas 77592

Re: Gulf Coast Ammonia LLC Tax Abatement Application Update

Dear Mayor Doyle:

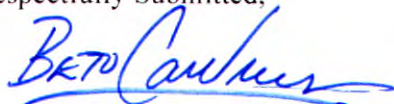
Please accept this letter as an update to the formal application dated as of May 23, 2019 submitted on behalf of our client, Gulf Coast Ammonia LLC (“*GCA*”) for consideration of a tax abatement agreement with the City of Texas City (the “*City*”).

In addition to the contents shared in the letter dated as of May 23, 2019 concerning GCA’s proposed completion of the design and construction of a new distribution facility for the production of ammonia located within the City (the “*Project*”), GCA seeks to have included in the reinvestment zone, and ultimately be subject to a tax abatement agreement, the additional offshore lands depicted in the enclosed maps (the “*Additional Lands*”). The Additional Lands are owned by the State of Texas and administered by the Texas General Land Office (“*GLO*”), and GCA intends to enter into two leases with the GLO covering the Additional Lands. Memoranda of these leases will be filed in the public records of Galveston County and provided to the City as soon as they are executed and available.

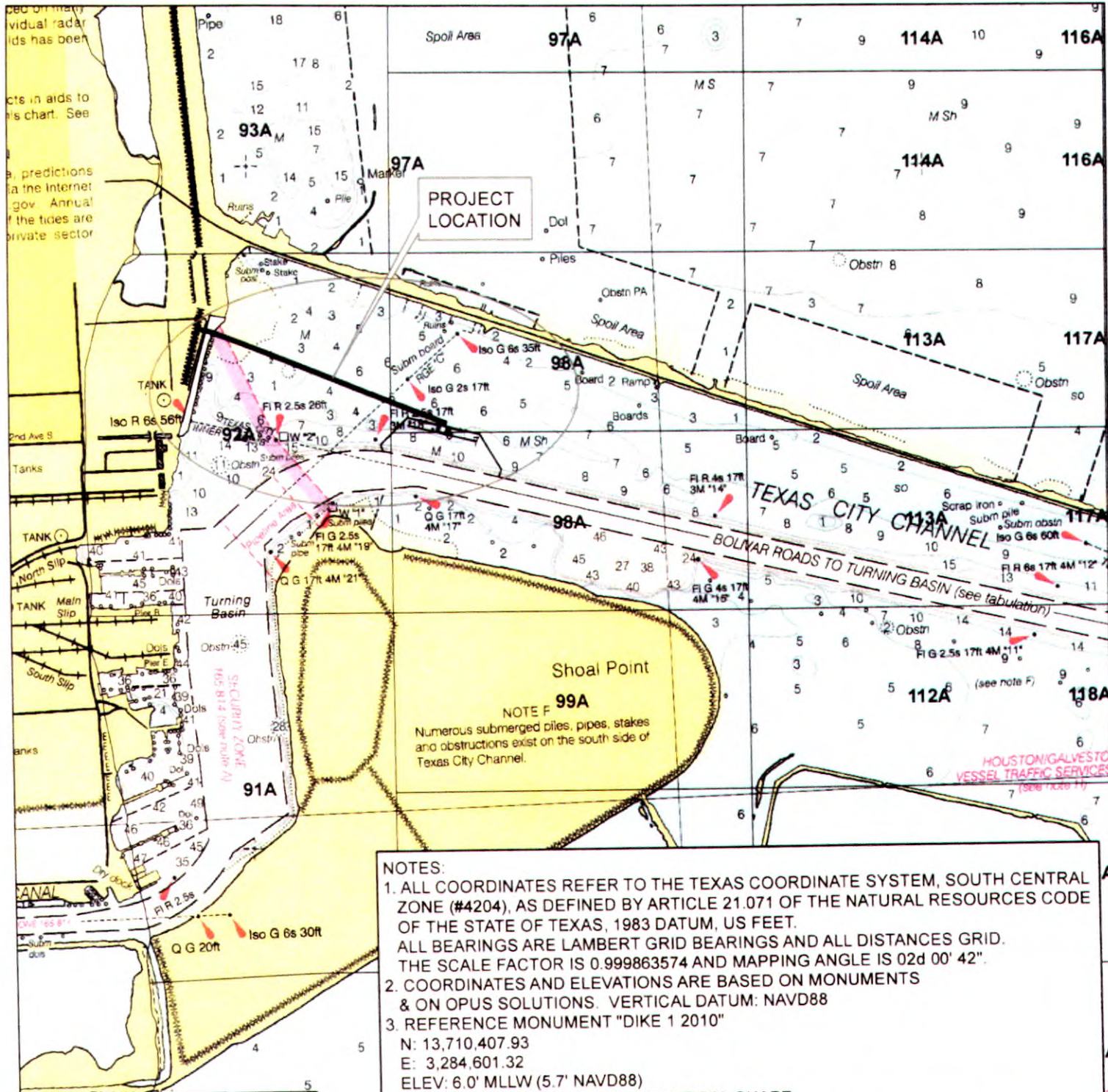
The proposed improvements for which the Project seeks property tax abatement includes, but is not limited to, site development, new construction and operation of a hydrogen and nitrogen production facilities and an ammonia production facility with a production capacity of 3600 metric tons per day. As part of the Project, an ammonia vessel loading dock will be constructed on Additional Lands for the purpose of loading ammonia produced at the Project onto the ammonia transport vessels of GCA’s customers. We note that as of January 1 of the year preceding the abatement, it will be difficult for GCA to determine the value of the abatable improvements on the Additional Lands, as construction will still be ongoing at that time. Until the dock is completed, commissioned and placed in service along with the rest of the Project, the uncompleted and inoperable work in progress has little, if any, value.

We very much appreciate the City's consideration of our client's tax abatement application, including our proposed reinvestment zone, and look forward to working with you in the coming weeks.

Respectfully Submitted,



Alberto P. Cardenas, Jr.



NOTES:

1. ALL COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (#4204), AS DEFINED BY ARTICLE 21.071 OF THE NATURAL RESOURCES CODE OF THE STATE OF TEXAS, 1983 DATUM, US FEET. ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL DISTANCES GRID. THE SCALE FACTOR IS 0.999863574 AND MAPPING ANGLE IS 02d 00' 42".
2. COORDINATES AND ELEVATIONS ARE BASED ON MONUMENTS & ON OPUS SOLUTIONS. VERTICAL DATUM: NAVD88
3. REFERENCE MONUMENT "DIKE 1 2010"
 N: 13,710,407.93
 E: 3,284,601.32
 ELEV: 6.0' MLLW (5.7' NAVD88)
4. BACKGROUND IMAGE: NOAA NAUTICAL CHART 11324: GALVESTON BAY ENTRANCE, HARBOR CHART, 3/1/2017

SURVEYED: FEBRUARY 20, 2018
 SURVEY PERSONNEL: J ZAC GIESSEL

JAMES M. NAISMITH
 4828
 REGISTERED
 LAND SURVEYOR
 STATE OF TEXAS
 1/31/2019

JAMES M. NAISMITH, RPLS

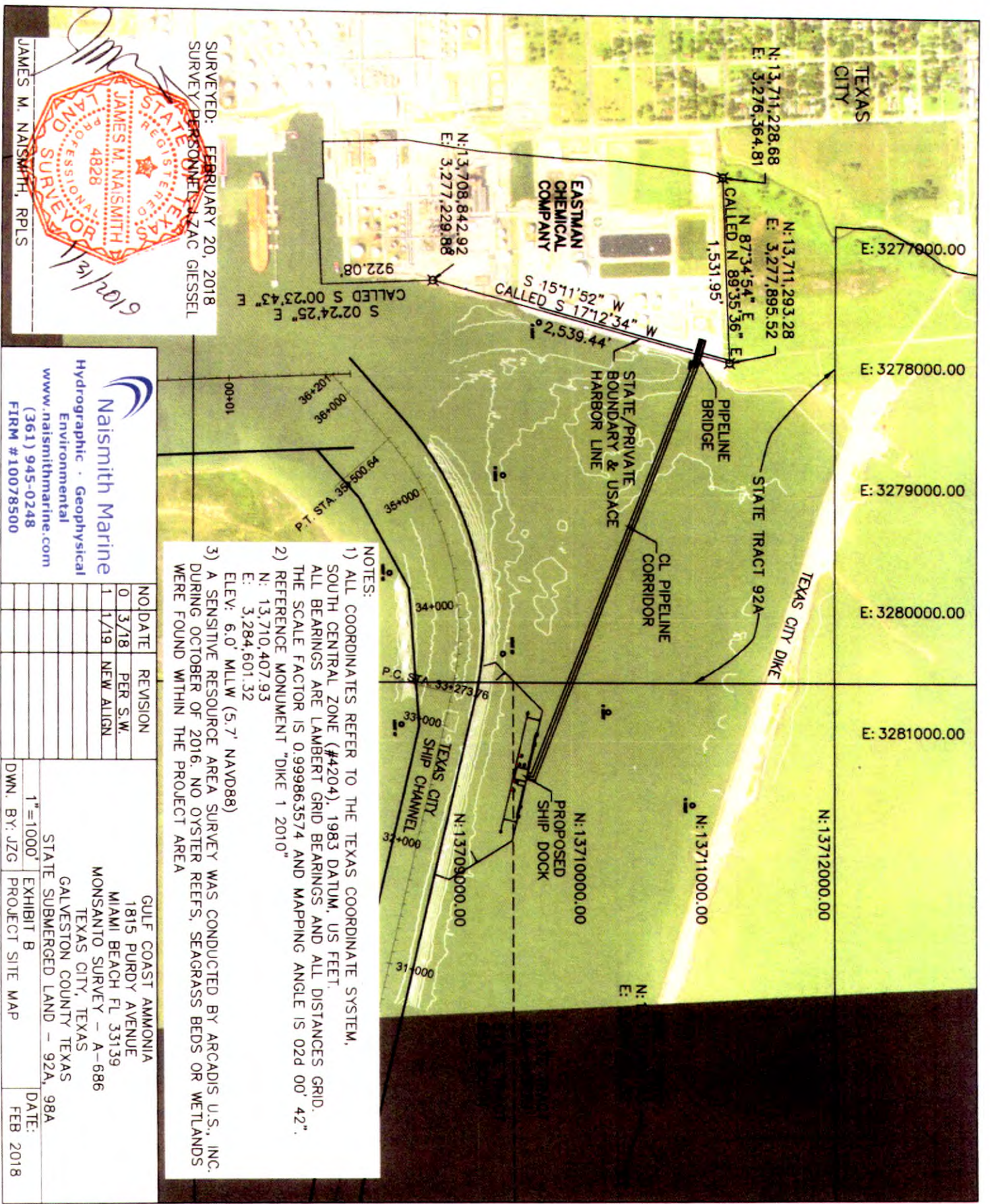
 Naismith Marine Hydrographic • Geophysical Environmental WWW.NAISMITHMARINE.COM (361) 945-0248 FIRM#10078500	NO	DATE	REV.
	0	1/19	NEW ALIGN

GULF COAST AMMONIA
 1815 PURDY AVENUE
 MIAMI BEACH FL 33139
 MONSANTO SURVEY - A-686
 TEXAS CITY, GALVESTON COUNTY TEXAS
 STATE SUBMERGED LAND - 92A, 98A

1" = 2,000'
 DWN BY: JZG

EXHIBIT A
 VICINITY MAP

DATE:
 FEB 2018



SURVEYED: FEBRUARY 20, 2018
 SURVEY/PERSONNEL: ZAC GIESSEL

JAMES M. NAISMITH, RPLS



NOTES:
 1) ALL COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (#4204), 1983 DATUM, US FEET. ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL DISTANCES GRID. THE SCALE FACTOR IS 0.999863574 AND MAPPING ANGLE IS 02d 00' 42".
 2) REFERENCE MONUMENT "DIKE 1 2010"
 N: 13,710,407.93
 E: 3,284,601.32
 ELEV: 6.0' MLW (5.7' NAVD88)
 3) A SENSITIVE RESOURCE AREA SURVEY WAS CONDUCTED BY ARCADIS U.S., INC. DURING OCTOBER OF 2016. NO OYSTER REEFS, SEAGRASS BEDS OR WETLANDS WERE FOUND WITHIN THE PROJECT AREA

Naismith Marine
 Hydrographic · Geophysical
 Environmental
 www.naismithmarine.com
 (361) 945-0248
 FIRM #10078500

NO	DATE	REVISION
0	3/18	PER S.W.
1	1/19	NEW ALIGN

1"=1000'
 DWN. BY: JZG
 EXHIBIT B
 PROJECT SITE MAP

GULF COAST AMMONIA
 1815 PURDY AVENUE
 MIAMI BEACH FL 33139
 MONSANTO SURVEY - A-686
 TEXAS CITY, TEXAS
 GALVESTON COUNTY TEXAS
 STATE SUBMERGED LAND - 92A, 98A

DATE:
 FEB 2018

TEXAS CITY DIKE

S 87°34'54" W, 1,531.95'
TO USAGE MON
1965 NBL "22-23"

CHAINLINK FENCE
CORNER A-686
N:13,711,293.28
E:3,277,895.52
PL BRIDGE AT PROP. LINE
N:13,711,030.30
E: 3,277,824.08
LAT: 29°23'10.78"
LON: 94°53'14.96"

UTILITY
PIPE BRIDGE
(EXHIBIT C-SHEET 2)

EASTMAN CHEMICAL
N. HURD
MONSANTO COMPANY
A-686, FILE 153878
GALVESTON COUNTY

S 15°11'52" W, (CALLED S 17°12'34" W TRUE NORTH)
2,539.15' TO HARBOR LINE CORNER POINT

N:13,708,842.92
E: 3,277,229.88

SURVEYED: FEBRUARY 20, 2018
SURVEY PERSONNEL: J. ZAC GIESSEL

USACE HARBOR LINE &
MONSANTO COMPANY, A-686
SETTLEMENT AGREEMENT BETWEEN
STATE OF TEXAS AND MONSANTO CO.
RECORDED IN GLO RECORDS
GALVESTON COUNTY SKETCH FILE 50

LC860074
EASEMENT

LC860074 EASEMENT
DREDGE LIMIT
EASTMAN CHEMICAL
TEXAS CITY, INC.
200' FLOOD
EBB

BREAKWATER &
HURRICANE WALL
CL POB
N:13,710,941.16
E: 3,278,100.73
LAT: 29°23'09.81"
LON: 94°53'11.87"

S 85°18'38" E
6,522.43'

TO NGS
"DIKE 1"

CL PROPOSED PIPELINE/
UTILITY CORRIDOR

S 68°30'05" E
2,601.96' - 157.69R

PL TERMINUS
N:13,709,633.09
E: 3,281,289.49
LAT: 29°22'55.75"
LON: 94°52'36.36"

GALVESTON BAY
STATE TRACT 92A

PIPELINE/UTILITY ESMT.
POINT OF BEGINNING
N:13,710,941.16
E: 3,278,100.73

LINE	BEARING	DISTANCE RODS
1	S 68°30'05" E	837.21' 50.74R
2	S 13°07'57" W	148.93' 2.97R

N:13,709,987.60
E: 3,280,521.66

N:13,709,680.78
E: 3,281,300.62
LAT: 29°22'56.22"
LON: 94°52'36.22"

L1 LON: 94°52'36.22"

L2

L1 LON: 94°52'36.22"

DOCK FACILITY &
DREDGE FOOTPRINT
EXHIBIT C-SHEET 3

GALVESTON BAY
STATE TRACT 98A

GALVESTON BAY
STATE TRACT 98A

TEXAS CITY
SHIP CHANNEL
STATE TRACT LINE



JAMES M. NAISMITH, RPLS

Naismith Marine
Hydrographic · Geophysical
Environmental
www.naismithmarine.com
(361) 945-0248
FIRM # 10078500

NO.	DATE	REVISION
0	3/18	PER S.W.
1	1/19	NEW ALIGN

GULF COAST AMMONIA
1815 PURDY AVENUE
MIAMI BEACH FL 33139
MONSANTO SURVEY - A-686
TEXAS CITY, TEXAS
GALVESTON COUNTY TEXAS
STATE SUBMERGED LAND - 92A, 98A

SCALE: 1"=600'
DWN. BY: JZG

EXHIBIT C-SHEET 1
DETAILED PROJECT PLAN

DATE: FEB 2018

- NOTES:
- 1) ALL COORDINATES REFER TO THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE (#4204), 1983 DATUM, US FEET. ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL DISTANCES GRID. THE SCALE FACTOR IS 0.999863574 AND MAPPING ANGLE IS 02d 00' 42".
 - 2) REFERENCE MONUMENT "DIKE 1 2010"
 - 3) EL: 6.0' MLLW (5.7' NAVD88)
 - 4) A SENSITIVE RESOURCE AREA SURVEY WAS CONDUCTED BY ARCADIS U.S., INC. DURING OCTOBER OF 2016. NO OYSTER REEFS, SEAGRASS BEDS OR WETLANDS WERE FOUND WITHIN THE PROJECT AREA
 - 5) PIPELINES & CONDUIT TO BE INSTALLED BY MECHANICALLY DREDGING A TRENCH TO THE REQUIRED DEPTH AND BACKFILLING WITH EXISTING SEAFLOOR MATERIAL

Exhibit C
Resolution No. 19-088 (Abatement Resolution)

See Attached

RESOLUTION NO. 19-088

A RESOLUTION OF THE CITY OF TEXAS CTY, 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, EASTMAN CHEMICAL TEXAS CITY, INC., AND OILTANKING NORTH AMERICA, LLC 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 SUBJECT TO THE CONDITIONS AS STATED HEREIN; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Gulf Coast Ammonia, LLC, (“Applicant”) submitted an Application for Property Tax Abatement to the City on or about May 23, 2019, which it supplemented on July 1, 2019, requesting the City of Texas City, Texas (“City”) enter into a Chapter 312 Tax Abatement Agreement for the real property owned by Eastman Chemical Texas City, Inc. Oiltanking North America, LLC 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 by Resolution 19-056 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 and Ordinance 19-23 on August 7, 2019, respectively, amending the Reinvestment Zone to more particularly define the boundaries of that zone by appropriate legal description; and

- d) The City's compliance with the public notice requirements imposed by Texas Tax Code Section 312.207(c) and (d) providing for 30-days' public notice, in the manner required by Texas Government Code Chapter 551, of the meeting where the City Commission consider the tax abatement made the subject of this resolution for approval; 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 with 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 which is in conformity with and furthers the underlying purpose of the City's tax abatement guidelines and criteria.

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, Eastman Chemical Texas City, Inc., and Oiltanking North America, 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 Tax Abatement Agreement and authorization for the Mayor to execute same is specifically subject to and shall not occur before the Texas City Independent School District Board of Trustees authorizes the execution of, and actual executes, 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 18th day of September 2019.



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

ATTEST:



Nicholas Finan
City Secretary

APPROVED AS TO FORM:


Russell Plackemeier
City Attorney

Exhibit D
Resolution No. 19-056 (Tax Abatement Guidelines & Criteria)

See Attached

RESOLUTION NO. 19-056

A RESOLUTION OF THE CITY OF TEXAS CITY, TEXAS, PROVIDING FOR ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT; MAKING CERTAIN FINDINGS OF FACT; ADOPTING GUIDELINES AND CRITERIA FOR CERTAIN TAX ABATEMENT AGREEMENTS IN ACCORDANCE WITH CHAPTER 312 OF THE TEXAS TAX CODE; RESERVING THE RIGHT TO MAKE EXCEPTIONS TO TAX ABATEMENT GUIDELINES; AND PROVIDING FOR SEVERABILITY; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, pursuant to the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code (the "Act"), the City of Texas City, Texas (the "City") must elect to become eligible to participate in tax abatement; and

WHEREAS, pursuant to the Act, the adoption of tax abatement guidelines and criteria is necessary prior to the creation of a reinvestment zone and prior to executing a tax abatement agreement; and

WHEREAS, the City previously adopted tax abatement guidelines and criteria on January 18, 2017 by Resolution No. 17-002; and

WHEREAS, pursuant to the Act, the tax abatement guidelines and criteria, adopted by Resolution No. 17-002 expired on January 18, 2019; and

WHEREAS, the City Commission desires to adopt new tax abatement guidelines and criteria specifically applicable to oil and gas, manufacturing, and other industry related projects; and

WHEREAS, the City Commission finds and determines that the guidelines and criteria hereinafter set out are in the best interest of the City to encourage oil and gas, manufacturing, and other industry related development to the exclusion of others; and

WHEREAS, the City Commission acknowledges that the guidelines and criteria hereinafter set out may be amended or repealed only by a vote of three-fourths (3/4) of the City Commission; and,

WHEREAS, the City Commission reaffirms its absolute discretion to approve or reject any application for tax abatement and subsequent related tax abatement agreements.

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

SECTION 1: Purpose. Chapter 312 of the Texas Tax Code allows, but does not obligate or require, the City to grant a tax abatement on the value added to a particular property on account of a specific

development project that meets the eligibility requirements set forth in this policy. In order for the City to participate in tax abatement, the City is required to establish guidelines and criteria governing tax abatement agreements. This policy is intended to set forth those guidelines and criteria for persons or entities interested in receiving a tax abatement from the City. This policy shall expire two (2) years from the date pursuant to Sec. 312.002(e) of the Texas Tax Code.

SECTION 2: Adoption of Recitals. The City Commission of the City of Texas City, Texas, hereby adopts the recitals of this Resolution as outlined above.

SECTION 3: Eligibility Election. Pursuant to the provisions of Section 312.002(a) of the Texas Tax Code, the City of Texas City, Texas previously elected to become eligible to participate in tax abatement by Resolution 14-078 which was considered and adopted at a properly noticed public meeting occurring on October 16, 2014. The City hereby renews its election, to the extent necessary, with the adoption of this Resolution adopting tax abatement guidelines and criteria.

SECTION 4: Projects Eligible for Tax Abatement. To be eligible for tax abatement under this policy, an industrial development project must meet all of the following minimum tax abatement application criteria:

- (i) Must contribute a minimum capital investment of \$100,000.00 to the proposed project;
- (ii) Must be eligible to conduct business or otherwise operate in the State of Texas;
- (iii) Must be located in the corporate limits of the City of Texas City;
- (iv) Must complete a Tax Abatement Application in form approved by the City Commission;
- (v) Must tender to the City any and all fees required by the Tax Abatement Application Form, as may be amended by the City Commission; and
- (vi) Must require of its plant managers and employees receiving the top twenty-five percent of compensation at the plant to reside within the City of Texas City or within the extra territorial jurisdiction (ETJ) as defined by the City; and
- (vii) Must tender to the City a current and active Texas Direct Payment Permit or, in the alternative, obtain a Texas Direct Payment Permit from the Texas Comptroller of Public Accounts for the direct payment of sales and use tax associated with the construction of improvements associated with the proposed project, and where applicable, shall require its contractors and subcontractors to also file for, or present such permit to the City for the direct payment of sales and use tax associated with the construction of improvements associated with the proposed project.

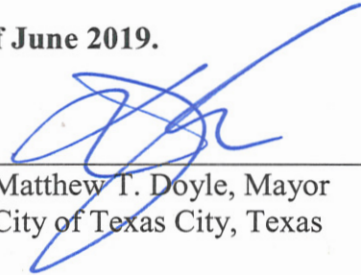
- (viii) The City may grant a Specific Residency Waiver to a specific plant manager or employee upon receiving an application submitting the request and upon the showing of a specific need. The City may negotiate waivers of the residency requirements in any actual Abatement Agreement approved by the City.

SECTION 5: Duration and Abatement Percentages. The duration of any specific tax abatement and the percentage of tax abatement shall be negotiated between the Applicant and the City on a case-by-case basis and codified in a Tax Abatement Agreement that meets the requirements of Chapter 312 of the Texas Tax Code and the terms and conditions as set by the City Commission.

SECTION 6: Reservation of Rights. To the greatest extent allowed by law, the City reserves its right to negotiate any particular tax abatement based on the specific circumstances that may exist at the time the tax abatement is negotiated which may in those circumstances deviate from the eligibility guidelines adopted herein.

SECTION 7: Severability. In the event that one or more of the provisions contained in this Resolution is for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of this Resolution shall be construed as if such illegal or unenforceable provision has never been contained herein, but shall not affect the remaining provisions of this Resolution, which shall remain in full force and effect.

PASSED AND ADOPTED this 19th day of June 2019.



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

APPROVED AS TO FORM:



Russell F. Plackemeier
City Attorney

ATTEST:



Nicholas J. Finan
City Secretary

APPROVED AS TO FORM:



Chris Nichols, Special Legal Counsel

Exhibit E
380 Agreement

See Attached

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 and by the City's Chapter 380 Economic Development Policy which includes but is not limited to the City's Guidelines and Criteria for tax abatement established by Resolution No. 19-056, 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 or the Tax Abatement Agreement (as defined below), 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 May 23, 2019 (as supplemented on July 1, 2019), along with any supplements or amendments thereto with respect to the Project.
- d. **“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.
- e. **“Effective Date”** shall mean the date this Agreement is executed by the last Party to execute this Agreement.
- f. **“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 (over which the Company has no reasonable control) franchises, licenses or permits, loss, interruption, curtailment, failure or inability to obtain (over which the Company has no reasonable control) 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.

- g. **"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.
- h. **"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 the planned construction of substantial Improvements, as defined in Article III of the Tax Abatement Agreement, to real property within the City as reflected in the Company's Application and Article VII of the Tax Abatement Agreement.
- k. **"Tax Abatement Agreement"** shall mean the Chapter 312 Tax Abatement Agreement authorized by Resolution No. [19-INSERT Resolution Number] 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 for the Project. The Chapter 380 Payments shall commence for the tax year 2022 and continue through the tax year 2031, and shall be payable no later than January 31st 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 \$750,000.00. 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.

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 case of any of clauses (a), (b), or (c), would 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 that is not otherwise addressed by or 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 any of the following events (each, an "**Event of Default**"):

- (a) the Company 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 described in, and in accordance with Section 2.1; or
- (c) the Company breaches in any material respect any representation given in this Agreement;

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: KAAM SAHEL

To the City:

CITY OF TEXAS CITY
NICK FINAN, CITY SECRETARY
1801 9TH AVENUE NORTH
TEXAS CITY, TX 77590

WITH A COPY TO:

RUSSELL PLACKEMEIER
1801 9TH AVENUE NORTH
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 of 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; NO 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 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 case of an 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. **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.

10.4. **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.

10.5. **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.

10.6. **Attorneys' 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.

10.7. **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.

10.8. **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.

10.9. **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.

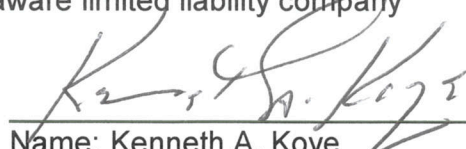
10.10. **Conflict between Agreements**. In the event of a conflict between any of the provisions of this Agreement, on the one hand, and any of the provisions of the Tax Abatement Agreement, on the other hand, the provisions of the Tax Abatement Agreement shall control, to the extent allowed by law.

10.11. **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: Kenneth A. Koye
Title: CEO & Managing Director

12-04-19
(Date)

ATTEST:


(Signature)

Lynette Downs, Counsel
(Printed Name and Title)

ACKNOWLEDGMENT

STATE OF TEXAS

§

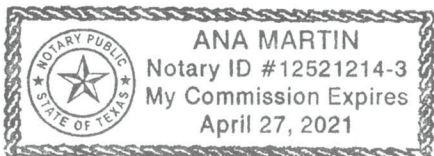
COUNTY OF HARRIS

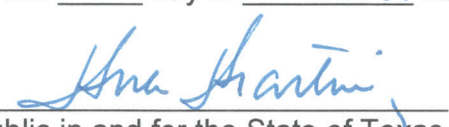
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§

Before me, the undersigned authority on this day personally appeared Kenneth A. Koye, as CEO & Managing Director 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 4th day of December 2019.




Notary Public in and for the State of Texas

My commission expires: 04/27/2021

CITY OF TEXAS CITY

By:

Matthew T. Doyle
Mayor

(Date)

12/16/19

ATTEST:

Nick Finan
Nick Finan, City Secretary

ACKNOWLEDGMENT

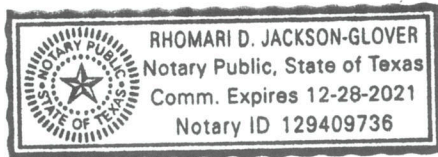
STATE OF TEXAS

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§
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COUNTY OF GALVESTON

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 16th day of December 2019.



Rhomari Jackson-Glover
Notary Public in and for the State of Texas

My commission expires: 12-28-21

Exhibit F
Resolution No. 19-089 (Chapter 380 Resolution)

See Attached

RESOLUTION NO. 19-089

A RESOLUTION OF THE CITY OF TEXAS CITY, 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 SUBJECT TO THE CONDITIONS AS STATED HEREIN; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Texas City, Texas (“City”) has established 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. 19-088 granting Gulf Coast Ammonia, LLC’s (the “Company”) request for tax abatement relief, approved a Chapter 312 Tax Abatement Agreement, and authorized the Mayor to execute same, subject to certain conditions and restrictions, 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, as adopted by Resolution 19-056, 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 the Company’s 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, the Company’s desire 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.

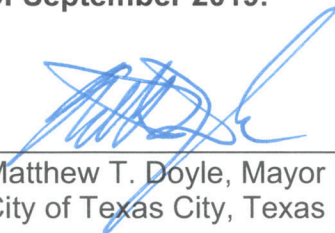
SECTION 2: The City Commission of the City of Texas City hereby approves the Chapter 380 Economic Development and Performance Agreement as proposed.

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 for the Mayor to execute same is specifically subject to and shall not occur before the Texas City Independent School District Board of Trustees authorizes the execution of, and actually executes, 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 as authorized by Resolution 19-088.*


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 18th day of September 2019.


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

ATTEST:


Nicholas Finan
City Secretary

APPROVED AS TO FORM:


Russell Plackemeier
City Attorney



Mayor Dedrick Johnson
City of Texas City
1801 9th Avenue N, Texas City, Texas 77590

December 18, 2024

Kenneth A. Koye, Chief Executive Officer
Gulf Coast Ammonia LLC
9805 Katy Freeway, Suite 400, Houston, Texas 77024

Re: Waiver of Right to Terminate for Failure to Place Improvements in Service

Dear Kenneth,

We write in reference to the Chapter 312 Tax Abatement Agreement between The City of Texas City (the “**City**”), and Gulf Coast Ammonia LLC, hereinafter referred to as the “**Company**” and the Tax Abatement Agreement hereinafter referred to as the “**312 Agreement**.”

We understand that construction of the Improvements (as defined in the 312 Agreement) commenced within the required time period under the agreement and has continued since that time. We also understand that the Improvements are mechanically complete and will soon be placed in service. As a result, Company has constructed Improvements with a value of at least \$450,000,000 and created at least 40 full-time jobs.

The City further acknowledges that this waiver will not negatively impact the City, as the Company will continue to make payment to the City in accordance with 380 Economic Development and Performance Agreement executed by the City on December 16, 2019, as well as annual contributions to the Cultural Arts Foundation executed on April 3, 2020.

Given the foregoing, in accordance with Section 16.6 of the 312 Agreement, the City waives until December 31, 2025 any default on the part of Company (as defined in the 312 Agreement) that has occurred, may occur or will occur, or any right to terminate the 312 Agreement that the City has, may have or will have, in either case, as a result of the failure of Company to complete construction of the Improvements or place the Improvements in service by December 31, 2024 or otherwise.

“the place where COMMUNITY MATTERS”

Please let us know of any questions, or if we can be of further assistance.

Sincerely,

Mayor Dedrick D. Johnson

CC:

Air Products Industrial Gas LLC
Attn: Sean D. Major – Secretary
7201 Hamilton Boulevard
Allentown, PA 18195-1501

RESOLUTION NO. 2024-176

A RESOLUTION AUTHORIZING A WAIVER OF RIGHT TO TERMINATE PROVISION 16.6 OF THE 312 TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF TEXAS CITY AND GULF COAST AMMONIA LLC., FOR FAILURE TO PLACE THE IMPROVEMENT IN SERVICE BY DECEMBER 31, 2024; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, each of the requirements of the agreement have been fulfilled except for being in service by December 31, 2024. Due to unforeseen issues with equipment, the start-up of the facility will not meet the deadline of being in service December 31, 2024. As a result of this delay, Gulf Coast Ammonia LLC., is requesting a waiver of provision 16.6 of the 312 agreement. It is anticipated the plant will start up within the next six (6) months; and

WHEREAS, Gulf Coast Ammonia LLC., is in compliance with all other terms of the agreement and has exceeded \$450,000,000 in infrastructure improvement on the ground and is current on all payments to the City for the 380 Economic Development Agreement and the Charitable Contribution requirement. The proposed action has no negative financial impacts on the City of Texas City.

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

SECTION 1: That the City Commission authorizes a Waiver of Right to Terminate provision 16.6 of the 312 Tax Abatement Agreement between the City of Texas City and Gulf Coast Ammonia LLC.

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

PASSED AND ADOPTED this 18th day of December 2024.

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

CITY COMMISSION REGULAR MTG

(7) (b)

Meeting Date: 12/18/2024

Police Department Indoor Shooting Range Target System Replacement and Flooring

Submitted For: Dj Hutchinson, Public Works **Submitted By:** Dj Hutchinson, Public Works

Department: Public Works

Information

ACTION REQUEST

The Texas City Police Department is seeking approval from the Mayor and City Commission to approve entering into a contract with Generocity Services (Choice Partners Contract #23/016MR-17) for the sum of \$402,885.00 to replace the original target system and floor at the Criminal Justice Center Indoor Shooting Range. Money for this project is budgeted and available through the TCPD Policy Departments Budget.

BACKGROUND (Brief Summary)

The Inveris Target System that is being replaced was installed during the original construction of the Criminal Justice Center back in 1997. After 27 years of service, this system has become obsolete and is now non-operational because parts are no longer manufactured to perform repairs. Currently, the range is non-operational and needs to be back in service to ensure new and existing officers can receive training and the required qualifying certification.

RECOMMENDATION

The Texas City Police Department recommends that the Mayor and City Commission move forward with approval of entering into a contract with Generocity Services to complete the required work at the the Police Department.

Fiscal Impact

Attachments

Resolution

EXHIBIT A (Proposal)

EXHIBIT B (INVERIS Target Systems)

RESOLUTION NO. 2024-177

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO ENTER INTO A CONTRACT WITH GENEROCITY SERVICES (CHOICE PARTNERS CONTRACT #23/016MR-17) TO REPLACE THE ORIGINAL TARGET SYSTEM AND FLOOR AT THE CRIMINAL JUSTICE CENTER INDOOR SHOOTING RANGE; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the Texas City Police Department (TCPD) is requesting entering into a contract with Generosity Services (Choice Partners Contract #23/016MR-17) for the sum of \$402,885.00 to replace the original target system and floor at the Criminal Justice Center Indoor Shooting Range; and

WHEREAS, funds for this project are available in the City of Texas City's adopted 2024/2025 fiscal year budget through the TCPD Policy Department's account.

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

SECTION 1: That the City Commission approves a contract with Generocity Services (Choice Partners Contract #23/016MR-17) to replace the original target system and floor at the Criminal Justice Center Indoor Shooting Range

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

PASSED AND ADOPTED this 18th day of December 2024.

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



Generocity Services, Inc.

1212 Winding Way Drive • Friendswood, TX 77546 • Phone: (281) 482-8881

Texas City - DJ Hutchinson
 Job Address:
 1004 9th Avenue North
 Texas City, Tx 77590

Print Date: 11-25-2024

Proposal for City of Texas City PD Indoor Shooting Range

Dear Mr. Hutchinson

Generocity Services Inc. is pleased to present our preliminary proposal for the above referenced project. This project is priced in accordance with our CHOICE PARTNERS Contract #23/016MR-17 and excludes proprietary vendor and owner's separate contractor pricing.

PRELIMINARY DESIGN SPECIFICATION WAIVER

All designs and specifications presented herewith are preliminary and are subject to change after review of changes due to customer requests. Any costs associated with preliminary design and scope changes will be added to the final cost of the project.

SCOPE OF WORK

Provide materials, labor, equipment, and supervision to complete the following:

Base Offer

• SUPPORT BRIDGING: (if applicable) is NOT included unless explicitly listed as a separate line item in the equipment table below.

Existing Range Retrofit - 5 Lanes, XWT, GranTrap™, SafeZone™ Stalls, Rifle Rated

BULLET TRAP

LE7500-OT GranTrap™ - 9' height granular rubber trap with 3/8" AR500 angled armor plate upper replenishment bin. Open GranTex™ Design.

Quantity (20) Unit (LF)

LE7500-TRSP-R-1/4 GranTrap™ Sidewall plates, 1/4" ARS00, set of 5 x 2 sidewalls.

Quantity (1) Unit (set)

BALLISTIC PROTECTION

RG-D Redirective Guard - Rifle, 3/8" ARS00 Includes GAP Protectors (2 Rows)

Quantity (160) Unit (SF)

CB-D Containment Baffles - Rifle, 3/8" ARS00, with FTW plywood face.

Includes GAP Protectors (6 Rows)

Quantity (480) Unit (SF)

SC-D Safety Ceiling - Rifle, 3/8" AR500 with FTW plywood face. Includes GAP Protectors. Standard 12' ceiling.

Quantity (240) Unit (SF)

AAF Acoustical Foam Panel, 2' x 4' x 2", charcoal, Sonex, class 1 FR.

Includes adhesive

Quantity (912) Units (SF)

SHOOTING STALLS

SZ-R-C/S SafeZone™ Shooting Stalls - Rifle. Complete Lane Stalls. Black Frame, Clear Top Panel, and Black Bottom Panel Inserts.

Includes shooting shelf, Rifle blast shield, LED lighting overhead and brass shield.

Quantity (5) Units (Lane)

TARGET RETRIEVAL SYSTEM

XWT-75 XWT Next Generation Wireless 360° Turning, Target System.

Self-propelled, with touchscreen target control, down range crossmembers, and includes 75' of track.

Quantity (5) Unit (each)

RMIOK-LE Master Control Computer - and (1) Tablet Controller

Quantity (1) Unit (Sys)

Double Unistrut 1072252 Double Unistrut P1001, 12 ga Pre Galv. 10 foot PG. (Hardware not included)

Quantity (32) Unit (Ea)

MISCELLANEOUS

LE1216 (87323) RIFLE GRANTEX CLEARING TRAP ASSY

Quantity (1) Unit (Ea)

Services

SPPT-Full: Complete Unload, Installation, and Training

MANUALS: Operations and Maintenance Manuals

WRTY: 12-Month Warranty

FRT-CPT: Freight & Delivery shall be CPT Jobsite (Texas City, TX) accordance with Incoterms®2010.

Flooring

To prep and paint shooting range floor, approximately 20' by 90'.

Floor to be cleaned and acid washed prior to painting.

All cracks to be filled.

Floor to be prepared to the proper profile to receive coatings.

A prime coat is to be applied prior to top coat, then shark grip to be applied to top coat for nonslip.

Sherwin Williams Epoxy Floor Coating to be used.

Exclusions: Anything not specifically mentioned in the above scope.

Items	Description	Price
RS Means		\$19,649.83
Houston CCI .858		-\$2,790.28
Choice Partners .89		-\$1,854.55
Non Pre Priced @100%	InVeris Indoor Shooting Range	\$317,450.00
Non Pre Priced @ 20% Markup	InVeris Indoor Shooting Range	\$63,490.00
Bond		\$6,940.00

Total Price: \$402,885.00

PRECEDENCE

We have established a project-specific order of precedence for the inquiry documents -- not only to help establish a baseline for our pricing, but also to maintain technical continuity, to confirm the intent and priorities for the project, and to provide the basis for solving discrepancies within the inquiry and construction documents. Our order of precedence is as follows:

- a. Generocity Services Proposal.
- b. Addenda issued by Client.
- c. Scope of Work issued by Client within the Invitation to Bid.
- d. Directives and work scope specifically and graphically issued within the Construction Drawings prepared by Client.
- e. Manufacturer's recommendations and installation instructions.
- f. Directives, regarding project work scope, specifically within the Project Specifications prepared by the Client.
- g. All Project Specifications prepared by Client that are specifically applicable to the project scope of work and project drawings.
- h. Owner's Engineering Facility Standards that are specifically referred to within this inquiry, and that have been issued as part of the inquiry.
- i. Balance of applicable project bid documents.

SERVICES & MATERIALS PROVIDED BY CLIENT/OWNER

1. Testing and abatement of asbestos and other potentially hazardous materials.
2. Pre-design testing, investigation of soils and other existing structures for engineering purposes.
3. Probing of existing grade in effort to detect subsurface obstructions, obstacles, or hazardous material.
4. Material strength and performance testing and other quality control testing.
5. Document preparation for permit; coordinating or making application for permit; procuring any building permits or any other permits or fees that may be applicable to this project unless otherwise noted.
6. Provisions of temporary toilet facilities for construction work force.
7. Provisions of temporary electrical power supply for construction purposes.
8. Provisions of temporary water supply for construction purposes.
9. Move, relocate, modify, repair, demolish, or otherwise alter existing facilities, material equipment, appliances, furnishings, installations, utilities, and/or structures that are not specifically noted within this scope of work. This includes hidden or latent conditions, undocumented structures, inconsistent soil condition, asbestos, and other hazardous materials in order for Generocity Services to perform the required scope of work.

TECHNICAL CLARIFICATIONS

1. Components and activities specifically exclude from this proposal:
 - a. Design and/or constructions of permanent site storm water detention or drainage structures.

- b. Testing of existing concrete slabs for moisture, alkali, and other contamination. Generocity Services will not be responsible for poor performance of adhered floor coverings on moisture-laden or contaminated floor slabs.
 - c. Subsurface de-watering, of the pumping of facility leaks and spills.
2. Our proposal includes the cost of providing materials and equipment called out by model numbers within the inquiry documents. When final engineering, calculation, shop drawings, or other documentation do not support the item physical characteristics, size, shape, operational requirements, etc. required by the Client, then changes may require additional costs.
 3. If any code interpretation, that may be issued by the Client, his agents, the Municipals Plan Checking Department, Code Enforcement, or Inspections Department, or Inspection Department results in additional more stringent project requirements than those shown graphically on the inquire drawings, or that is specifically named or directed within the inquiry specifications (as they relate to the drawings), the additional cost shall be assessed and passed on to the Client.

EXCLUSIONS

1. Plans, architectural, engineering, geotechnical reports, materials testing laboratories.
2. On/off-site detention are not included.
3. SWPPP of containment of storm water, storm water pollution prevention planning, permitting, installations or observation.
4. Generocity Services, Inc. has not included cost for landscaping, traffic control, traffic barricades or signage, overtime or holiday work, trench drains, containments, equipment/foundations, house-keeping pads/foundations, vibrating equipment, unforeseen underground obstructions, sumps of pits.

COMMERCIAL TERMS & CONDITIONS

1. Validation Period: This proposal is valid for a period of 30 calendar days after the "DATE" indicated above.
2. Material Cost Escalation: Due to the volatile and unpredictable global material marketing pricing, Generocity Services, Inc. can not guarantee project-specific pricing for the validation period stated above. If material orders and requisite shipments are made at current pricing, we will honor the material cost. If the cost of the materials increases before shipment, then the change in price will be passed on to the Client/Owner.
3. Generocity Services, Inc. will not perform work changes unless authorized in writing by the Client before the work begins. All cost assessments will include the cost of tangible items and the additional cost associated with schedule delays and extensions.
4. When materials and permanent equipment that are purchased for this project are stored either on or off site as a result of delays by Client (or Owner), or the contractors, or agents of the same, progress pay requests will include these materials and equipment items for Client approval and payment within the contract pay period.
5. Generocity Services, Inc. will not be held responsible for damages to any concealed, hidden or buried equipment, structures, pipelines, electrical lines, cable, grounding, underground utilities and other obstacles.
6. Generocity Services, Inc. will not be held responsible for personal injury from accidents resulting from encounters with any concealed, hidden or buried equipment, structures, pipelines, electrical lines, cables, grounding, and other obstacles.
7. Downtime or delays caused by Owner and/or Client during the field construction operations shall be assessed by Generocity Services, Inc. and reimbursements by Owner and/or Client.
8. Repair cost and touch-up costs made necessary by damage caused by Owner's and /or Client's personnel will be assessed by Generocity Services, Inc. and passed on to the Client.
9. Our pricing is based on a 40-hour workweek. We have not included the cost of holiday or overtime work hours.

We appreciate the opportunity to present this proposal and look forward to your review and approval.

Sincerely,
Joel Mueller
Director of Business Development
Generocity Services, Inc.

I confirm that my action here represents my electronic signature and is binding.

Signature:

Date:

Print Name:

Costs based on RSMeans data

Estimate Name: B24-11-23-2024D City of Texas City Shooting Range

ESTIMATE INFORMATION

Client Name: City of Texas City
 Estimate Address: TEXAS

Notes:

Quantity	LineNumber	Description	Unit	Ext. Mat. O&P	Ext. Labor O&P	Ext. Total O&P	Notes
0.50	013113200200	Field personnel, project manager, average	Week	\$ -	\$ 1,874.50	\$ 1,874.50	
1.00	013113200260	Field personnel, superintendent, average	Week	\$ -	\$ 3,725.00	\$ 3,725.00	
315.00	090190920520	Paint preparation, surface protection, placement & removal, masking w/paper	S.F.	\$ 44.10	\$ 261.45	\$ 305.33	
1660.00	096510103600	Latex underlayment, cementitious for resilient flooring, 1/8" thick	S.F.	\$ 1,411.00	\$ 7,636.00	\$ 9,047.00	
1600.00	099123721670	Painting walls, complete, on drywall or plaster, primer and 2 finish coats, with roller, including surface preparation	S.F.	\$ 1,026.00	\$ 3,672.00	\$ 4,698.00	

R S Means Estimate		\$ 19,649.83
Houston CCI .858		\$ (2,790.28)
Choice Partners .89		\$ (1,854.55)
Sub Total		\$ 15,005.00
	InVeris	
Non-Pre-Priced @ 100%	317,450.00	\$ 317,450.00
Non-Pre-Priced @ 20% Markup		\$ 63,490.00
Bond		\$ 6,940.00
Grand Total		\$ 402,885.00



GRANTRAP™ BULLET TRAP

InVeris Training Solutions, makers of FATS® and Caswell technologies, has been the global leader in law enforcement training and commercial gun range products for over 90 years. Fielding over 15,000 ranges around the world, InVeris Training Solutions provides turnkey shooting range design, equipment and installation, and the logistic support necessary for today's fast-paced training environments.

InVeris Training Solutions can help determine the GranTrap™ model to best meet your range needs. GranTrap model variations include:

LE7500 GranTrap and LE7512 GranTrap

- Captures up to 3600 ft-lbs of energy, excluding incendiary/tracer type of rounds.
- Designed with rubber-faced upper vertical replenishment bins to maintain consistent GranTex™ media depths.
- Incorporates gum rubber covers atop the GranTex media for cleanliness and containment.
- 12' ft tall version available for longer distance capabilities.

LE7500-OT GranTrap (Pictured in this brochure)

- 3/8" AR500 armor impact plate provides additional downrange coverage.
- Extra-large replenishment bins for greater availability of GranTex media.
- Configured with exposed and uncovered GranTex media.

LE7500-OTR GranTrap

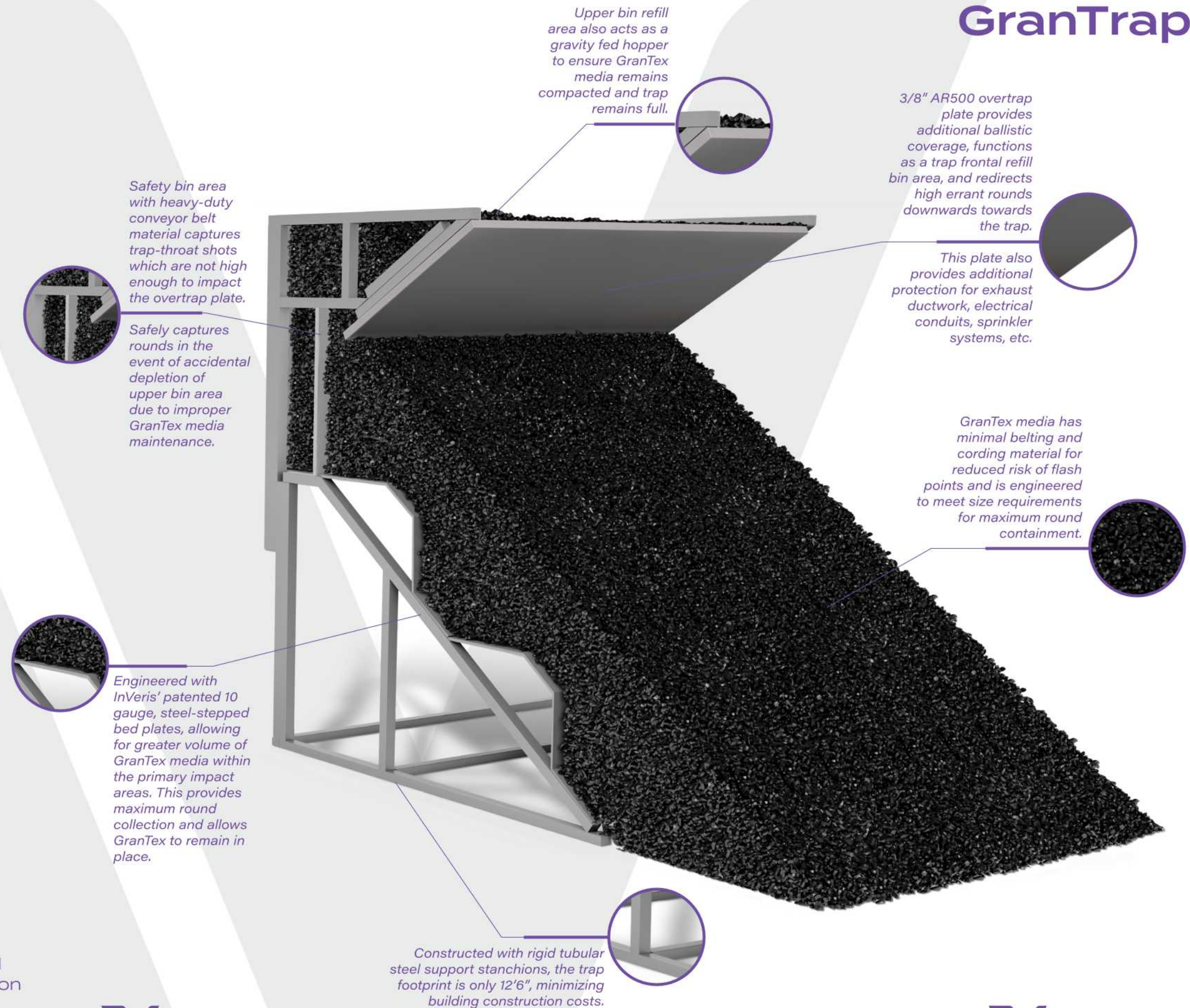
- Rubber-faced 3/8" AR500 plate provides additional downrange coverage and safety for tactical applications.
- Extra-large replenishment bins for greater availability of GranTex media.
- Incorporates self-healing gum rubber covers atop the GranTex media to ensure trap cleanliness.

LE7500-50 Cal GranTrap and LE7512-50 Cal GranTrap

- Captures up to 8100 ft-lbs of energy, excluding incendiary/tracer type rounds.
- Designed to stop limited single fire rounds with up to 13,000 ft-lbs of energy such as 50 BMG with a limited and controlled rate of dispersion and under specific conditions with proper monitoring.
- Installed to only a 14' footprint depth for more flexibility with range configuration compared to the 25'-30' footprint depths required for most high energy steel rifle traps.
- 12' ft tall version available for longer distance capabilities.

All GranTraps are available for outdoor applications (OD) and engineered to withstand harsh environmental conditions by using non-corrosive materials. Outdoor versions utilize hot-dipped galvanized steel components and custom designed structural frames which shed water and condensation for long term durability.

GranTrap



GranTrap Specifications

- Standard models capable of capturing handgun, shotgun (shot and slug included), and rifle (fully automatic and armor piercing included), jacketed, semi-jacketed and non-jacketed rounds. Includes rounds up to .308 caliber/7.62mm, including M16/223 caliber/5.56mm rounds with velocities of 900-3600 ft/sec (274-1097 m/sec) and up to 3600 ft-lbs (4880 N-m) of energy, excluding incendiary/tracer type rounds.
- Patented 10 gauge steel-stepped bed plate construction with a gravity-feed design that allows rubber to remain in place versus migrating downward towards the toe of the trap. This design ensures proper GranTex™ volumes within the primary impact areas for maximum round collection.
- GranTex media consists of chopped rubber which is predominately free of any cording, threads, fibers, or steel belting pieces.
- The GranTrap is a self-supporting trap assembled entirely by mechanical fasteners. The overtrap replenishment bin is part of the GranTrap's frame support assembly and does not require overhead support via chains/cables, bridging or rear wall attachment. No on-the-job cutting or welding is required for assembly.
- Constructed with rigid tubular steel support stanchions. All part fit thru 36" wide door openings.
- Incorporates supplemental safety bins which provide additional ballistic protection.
- 12'6" footprint minimizes building construction cost since no ancillary space is needed behind trap.
- Designed to capture up to 75,000 rounds per shooting point, with the exception of LE7500-50Cal GranTrap.
- Available in standard (9') and custom (8' and 12') heights to meet all range requirements..

CLEANER Minimizes broken lead particles released at the trap area by capturing rounds intact, averting lead and jacket back splatter. Exhaust air filters last several times longer versus steel traps.

SAFER Close range shots and acute angled shots make the GranTrap ideal for tactical training in dynamic ranges.

QUIETER Due to the porous nature of how the GranTex media gathers and the almost non-existent sound of a round entering the media (versus steel plates), the GranTrap ensures a much quieter firing range.

Outdoor Model (OD) Specifications

- All metal support frames are hot-dipped galvanized with all assembly hardware either galvanized or stainless steel.
- Metal support frames incorporate weep/drainage holes to release rain water and condensation.
- The 3/8" AR500 upper replenishment bin plates are factory cleaned, coated with an inorganic zinc primer, and painted with a finish of marine multipurpose epoxy paint.
- The traps sidewall outer sections are constructed of 10 gauge galvanized metal for granulated rubber retainage.

LE7500-50Cal

- Designed as a deeper bullet trap capable of handling muzzle velocities between 900 and 3,600 feet per second (274 to 1097 meters per second), or energy levels to 8,100 foot-pounds and occasional rounds up to 13,000 foot-pounds.
- The Reclining GranTrap LE7500-50Cal is not intended for use by .50cal weapons beyond three-round bursts.

When using high powered rounds, increase monitoring of the GranTex depth levels to ensure that proper material volumes are maintained. Failure to do so could result in damage to the GranTrap and/or result in injury or death.



Rounds captured by the GranTrap are mostly intact, allowing for easy removal and recycling.



LE7512-OD GranTrap



Safe-N-Clear™ Handgun and Rifle Clearing Traps

InVeris Training Solutions' Safe-N-Clear™ trap provides a safe and secure method for checking a firearm when loading or unloading.

The chamber of the Safe-N-Clear trap is filled with a thick bed of GranTex™, a granulated rubber material that safely deenergizes rounds. A reinforced rubber screen secured across the trap opening provides a slot for muzzle insertion and serves as a protective barrier against backsplatter. In the event of a discharge, the round is captured virtually intact in the GranTex material and is securely contained inside the Safe-N-Clear.

The Safe-N-Clear is a floor model clearing trap, so it does not require a stand or special mounting hardware to keep it stationary or secure. This allows more flexibility in placing the clearing trap in the most desirable location as specified by the customer.

It is an ideal safety measure for police stations, correctional facilities, firing ranges, or any location where firearms are handled.

InVeris offers two Safe-N-Clear models, one for handguns and the other for rifles with the following specifications:

Handgun Model LE1213

- Accommodates 2000 fps and 2200 ft/lbs muzzle energy
- Dimensions: 35" H x 13" W x 18" D
- Weighs 208 lbs.

Rifle Model LE1216

- Accommodates 3600 fps and 3600 ft/lbs muzzle energy
- Dimensions: 31" H x 13.5" W x 23" D
- Weighs 314 lbs.





SafeZone™ Shooting Stalls

InVeris Training Solutions has been the industry leader in shooting range innovation, design, installation and equipment for over 90 years.

SafeZone™ fully interchangeable shooting stalls offer the customization to create clear stalls, solid stalls, or a mixture of both. Completely reconfigurable and backward compatible, the new shooting stalls can be set up in the same location as your existing stalls.

Standard Stalls

The SafeZone stalls are pistol and/or rifle rated and are available with a black frame, solid black dividing panel, and a brass casing shield to prevent spent casings from going into adjacent lanes. A swing down shooter's shelf features a resilient surface, raised edges to prevent accidental drop off, and a recessed tray area containing all weapons, ammunition and other range equipment within the confines of the stall. The acoustical blast shield extends to further shelter adjacent shooters, while a site light illuminates the stall interior.

Stall Options

The SafeZone shooting stalls offer a high level of flexibility between lanes. Solid panels come in an array of optional colors (black, white, red or gray) and frames (black and grey) and may be customized with your logo for further personalization. With solid panels, the user is afforded a

contained lane experience with greater privacy and less exposure and distraction from external situations.

Using the clear panels, shooters experience enhanced visibility between lanes, enabling a more comprehensive environmental view. The clear glass panels are rifle and pistol rated, and feature glass edge lighting to illuminate the optional company logo or shooter's shelf, available with multicolor LED and a control on the upper rear edge to avoid user adjustment. Deeper than previous stalls (measuring 48" deep), SafeZone stalls can include wing and full gate barricades for enhanced tactical training.

Users may want to include an Aiphone® audio or visual communication system for full stall contact and interaction with the master control. A red/blue light option allows realistic law enforcement training, while the stall's side shelf with accessory hooks provides additional storage for bulky or cumbersome items.

Create your own unique statement with the InVeris SafeZone shooting stall. Personalizing your range, while keeping your shooters safe, has never been so attractive.

SafeZone Standard Features:

- Black pistol or rifle frame
- Black solid panels have UL752 standard level 3 pistol or level 8 rifle comparable design**
- Site light
- Brass shield
- Shooter's shelf
- Rifle rated stall with blast shield

SafeZone Optional Features:

- Aiphone® audio and visual communication systems
- Side shelf with accessory hooks
- Multi-color, glass edge lighting
- Red/blue light for law enforcement training
- Your logo or organization name on solid or glass panels
- Wing or full gate barricade for tactical training
- Stall frame offered in black or gray
- Solid panels in a variety of colors, including red, black, gray, white
- **Glass panels – rifle rated**
 - EN1063 standard BR6(S) - rifle
 - UL752 standard level 8 - rifle
- **Glass panels – pistol rated**
 - EN1063 standard BR4(S) - pistol
 - UL752 level 3 standard - pistol

Stall Panel Ballistic Ratings

Panel Composition	General Rating	Maximum Velocity (typ.)	Maximum Energy (typ.)	Compliance Rating
Transparent	Pistol	1485 fps	1175 ft-lbs	UL752 Level 3
	Rifle*	3025 fps	3048 ft-lbs	UL752 Level 8
	Pistol	1476 fps	1175 ft-lbs	EN1063 BR4(S)
	Rifle*	2756 fps	3048 ft-lbs	EN1063 BR6(S)
Solid	Pistol	1485 fps	1175 ft-lbs	UL752 Level 3**
	Rifle*	3025 fps	3048 ft-lbs	UL752 Level 8**

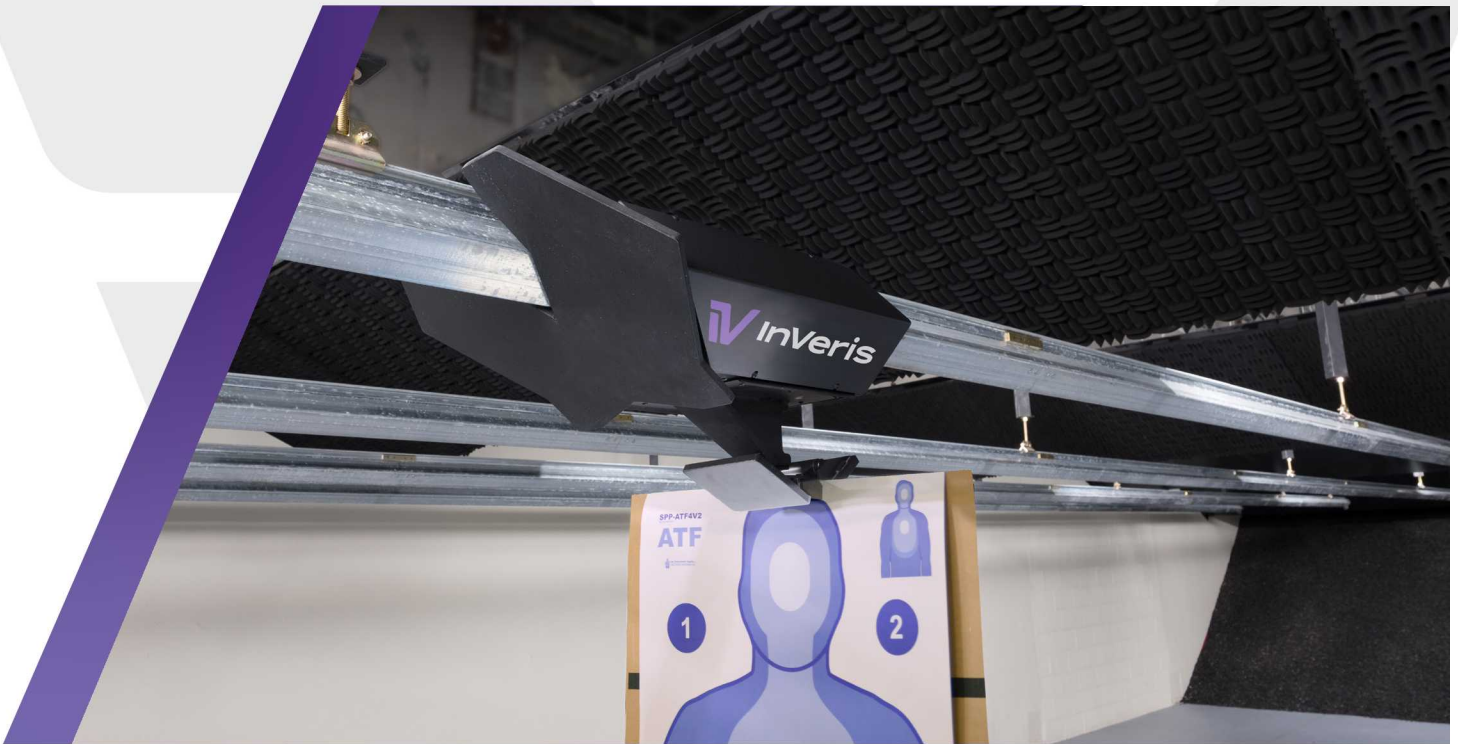
*Not rated for armor piercing or atypical ammunition.

** Design of solid panels has been independently tested to equivalent standards. Components are purchased consistent with design, but not certified.

Typical Ammunition Specifications

Typical Pistol Ammunition			Typical Rifle Ammunition		
Type	Ammunition	Max Velocity	Type	Ammunition	Max Velocity
.22LR	40gr HP	1060 fps	.22LR	40gr HP	1260 fps
9mm Luger	124gr FMJ	1120 fps	5.56x45mm NATO	55gr FMJ	3300 fps
.357 Mag	158gr JSP	1240 fps	7.62x51mm NATO	150gr FMJ	2800 fps
.40 S&W	180gr TMJ	990 fps	.308 Win	150gr SPTZ	2900 fps
.45 ACP	230gr TMJ	850 fps	.30-06	180gr SPTZ	2900 fps
.44 Mag	240gr SWC	1400 fps	300 Win Mag	190gr BTHP	2900 fps

Ammunition identified above represent typical round type performance (for example only).



XWT Wireless Target Carrier

InVeris Training Solutions offers the Next Generation Wireless Target System (XWT) to meet the need for efficient, reliable and user-friendly training systems.

InVeris' XWT provides a host of advantages over other carriers on the market:

- Easily programmable through a wireless controller, allowing uncomplicated intuitive screen operation
- Targets are locally controlled using the Lane Controller (LC) or from a control room area using the Primary Master Control Computer
- Programmable maneuvers and scenarios for skill set development and effective training
- Speed control options provide "Advance / Retreat" training exercises
- Basic and advanced user interfaces support the operator's preferred courses of fire, whether basic qualifications or more advanced reactive and decision making shooting exercises
- Moves along a rail system, powered by an internal direct drive, dual motor system, with anti-static wheels for quieter, smoother operation
- Unique closed track design provides smooth target transportation
- Does not collect lead fragments, casings and other debris
- No drive cables or pulleys to break or replace
- No bulky and noisy drive motors above the shooters head
- No track mounted power feed rails or wires to be impacted and damaged
- Less susceptible to debris in tracks, and reduced need to clean or interfere with target operation

- Includes 3/8" AR500 Front Armor Plate Prow
- Compliant with CE/EN directives for EMI/EMC

The XWT was the industry's first wireless, 360° turning target retrieval system, and advancements to the carrier continue. The XWT uses a Lithium Ion battery with a positive locking battery connection and ergonomic battery placement/replacement, providing a 50% increase in battery capacity. The new charging/docking system improves contact design for faster and more reliable charging. That means more time using the XWT on your range, and less time charging it.

Programmable distraction lighting now integrates red, blue and white LED target lighting with four times the brightness of previous models. The chassis features a new side cover design for wheel overhead protection and the prevention of brass drivetrain damage. The anti-static wheels eliminate the need for grounding hardware and reduces ESD challenges.

The XWT is the next level of innovative range products available from InVeris Training Solutions. The quiet, smooth, low maintenance wireless carrier is easily operated and programmable, essential for successful training and usability.

CITY COMMISSION REGULAR MTG

(7) (c)

Meeting Date: 12/18/2024

Cost of Living Adjustment for Non-Civil Service Staff

Submitted For: Cynthia Rushing, Finance

Submitted By: Cynthia Rushing, Finance

Department: Finance

Information

ACTION REQUEST

Consider and approve a cost-of-living adjustment for the non-civil service staff.

BACKGROUND (Brief Summary)

In preparing the FY25 budget, the CFO recommended a pause on issuing a Cost of Living Adjustment (COLA) to assess the city's financial position due to several unplanned expenditures, such as rate increases for garbage collection, health insurance, animal shelter facility fees, and capital projects/equipment. Now that the dust has settled, there has been a deep dive analysis of the City's financial strength in sales tax revenue. The sales tax revenue was understated in FY24 due to adjustment entries to account for the timing difference and to comply with the accounting principles for revenue recognition. Due to the understated FY25 Sales Tax Revenue Budget, no action is needed to amend the budget to fund the COLA.

After making the year-end closing adjustment entries, the sales tax revenue is \$3.5M more than projected at the time of the budget adoption. The CFO recommends a 3% COLA for our non-civil service staff employed on or before July 1, 2024. The COLA is effective January 1, 2025, without retroactive pay.

RECOMMENDATION

The CFO recommends a 3% COLA for non-civil service staff employed on or before July 1, 2024. The COLA's effective date is January 1, 2025, and it does not include retroactive pay.

Fiscal Impact

Attachments

Resolution

RESOLUTION NO. 2024-178

A RESOLUTION AUTHORIZING A COST OF LIVING ADJUSTMENT (COLA) FOR NON-CIVIL SERVICE STAFF; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, in preparing the Fiscal Year 2025 budget, the Finance Director recommended a pause on issuing a Cost of Living Adjustment (COLA) to assess the city's financial position due to several unplanned expenditures, such as rate increases for garbage collection, health insurance, animal shelter facility fees, and capital projects/equipment; and

WHEREAS, the sales tax revenue was understated in FY24 due to adjustment entries to account for the timing difference and to comply with the accounting principles for revenue recognition. Due to the understated Fiscal Year 2025 Sales Tax Revenue Budget, no action is needed to amend the budget to fund the COLA.

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

SECTION 1: That the City Commission hereby approves a 3.0% COLA for our non-civil service staff employed on or before July 1, 2024.

SECTION 2: The COLA is effective January 1, 2025, without retroactive pay.

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

PASSED AND ADOPTED this 18th day of December 2024.

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

CITY COMMISSION REGULAR MTG

(7) (d)

Meeting Date: 12/18/2024

Budget Amendment - Lago Mar East Offsite Project

Submitted For: Cynthia Rushing, Finance

Submitted By: Cynthia Rushing, Finance

Department: Finance

Information

ACTION REQUEST

Consider approval of a request to amend the fiscal year 2024-2025 budget to accept and appropriate funds from Lago Mar Development Authority and appropriate fund from the Undesignated Fund Balance Sewer Zone 2.

BACKGROUND (Brief Summary)

City Commission approved the cost-sharing of Phase II of the project to install a 24-in and 16-in force main for the Lago Mar Development at the December 4, 2024, meeting, resolution 2024-169. This is the budget amendment details for the Developer's deposit for the cost of the project.

RECOMMENDATION

The Finance Department recommends the following Budget amendment to accept and record the Developer's deposit.

Org	Object	Project	Description	AMOUNT
256702	55681	25603	LAGO MAR EAST CONSTRUCTION FUND	\$ 2,300,267.53

Fiscal Impact

Attachments

Ordinance

ORDINANCE NO. 2024-29

AN ORDINANCE AMENDING THE FISCAL YEAR 2024/2025 BUDGET TO APPROPRIATE FUNDS FROM LAGO MAR DEVELOPMENT AUTHORITY AND APPROPRIATE FUNDS FROM THE UNDESIGNATED FUND BALANCE SEWER ZONE 2; 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.

WHEREAS, by Ordinance No. 2024-25, the City Commission of the City of Texas City, Texas, adopted its budget for Fiscal Year 2024-2025; and

WHEREAS, the City Commission approved the cost-sharing of Phase II of the project to install a 24-in and 16-in force main for the Lago Mar Development at the December 4, 2024, meeting, Resolution No. 2024-169; and

WHEREAS, this is the budget amendment that accounts for the Developer's deposit for the cost of the project.

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: That the budget for Fiscal Year 2023-2024 of the City of Texas City, Texas, is hereby amended as follows:

<u>Org</u>	<u>Object</u>	<u>Project Description</u>	<u>AMOUNT</u>
<u>256702</u>	<u>55681</u>	<u>25603 LAGO MAR EAST CONSTRUCTION FUND</u>	<u>\$ 2,300,267.53</u>

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 18th day of December 2024.

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

CITY COMMISSION REGULAR MTG

(7) (e)

Meeting Date: 12/18/2024

Ratify Payment of Windstorm Insurance

Submitted For: Cynthia Rushing, Finance

Submitted By: Cynthia Rushing, Finance

Department: Finance

Information

ACTION REQUEST

Ratify the payment of windstorm insurance premium to Texas Windstorm Insurance Association (TWIA).

BACKGROUND (Brief Summary)

The City's windstorm coverage is through Texas Windstorm Insurance Association (TWIA). Since the city is located in the first tier of counties that border the Texas Gulf Coast, windstorm coverage is not available through Texas Municipal League Intergovernmental Risk Pool to the extent that it is available through either TWIA or other windstorm carriers. Victor Insurance Managers Inc. serves as the property underwriting contractor for the Pool. As part of the City's agreement with the Pool, they are available to serve as the City's insurance agent in placing windstorm coverage with TWIA and/or another carrier. The cost for renewal with TWIA is \$261,532.00, which is the same amount as the current year. Buildings covered by this insurance are Charles T. Doyle Convention Center/Nessler Center, Matthew T. Doyle Natatorium/Lowry Fitness Center, and Texas City Museum.

To avoid any disruption in coverage, the payment for the annual premium was made in August of 2024.

RECOMMENDATION

Recommend approval to ratify the payment.

Fiscal Impact

Attachments

Declaration Page

Resolution



POLICY NUMBER	EFFECTIVE DATE/TIME	EXPIRATION DATE/TIME
TWCB0100016411	08/02/2024 12:01 a.m.	08/02/2025 12:01 a.m.
NAME INSURED AND ADDRESS		AGENCY NAME AND LOCATION
CITY OF TEXAS CITY PO BOX 2608 TEXAS CITY TX 77592-2608		VICTOR INSURANCE MANAGERS LLC VICTOR INSURANCE MANAGERS LLC - PRODUCER GROUP (11829) 500 DALLAS STREET SUITE 1400 HOUSTON TX 77002 (713) 787-2431

IMPORTANT

Early cancellation may result in approximately 25% of your premium being retained by Texas Windstorm Insurance Association.

This policy is subject to an immediate surcharge if determined necessary by the Texas Insurance Commissioner. Failure to pay the surcharge will result in cancellation of the policy.

COVERAGES - Windstorm and Hail Only

In consideration of the stipulations and conditions herein or added hereto which are made a part of this policy, and of the premiums provided, TWIA does insure the insured named above and legal representatives FROM the effective date shown above TO the expiration date shown above at 12:01 a.m. Standard Time at the location of property against direct loss resulting from the perils of Windstorm and Hail only which have a premium inserted opposite thereto and only on the property described and located as provided hereon.

COVERAGES SUMMARY

TOTAL PREMIUM AND SURCHARGES: \$261,532
Minimum earned premium applies

LOCATION INFORMATION: LOCATION 1

LOCATION ADDRESS	COUNTY	TERRITORY CODE
1900 5th Ave N Texas City, TX 77591	Galveston	8



RESOLUTION NO. 2024-179

A RESOLUTION RATIFYING AUTHORIZATION OF PAYMENT MADE TO VICTOR INSURANCE MANAGERS INC. FOR THE CITY'S WINDSTORM COVERAGE; AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, the City of Texas City's windstorm coverage is through Victor Insurance Managers Inc. (formerly known as Victor O. Schinnerer & Company, Inc.); and

WHEREAS, because the City is located in the first tier of counties that border the Texas Gulf Coast, windstorm coverage is not available through the Texas Municipal League Intergovernmental Risk Pool to the extent that it is available through either the Texas Windstorm Insurance Association (TWIA) or other windstorm carriers; and

WHEREAS, Victor Insurance Managers Inc. serves as the property underwriting contractor for the Pool, and as part of the City's agreement with the pool, they are available to serve as the City's insurance agent in placing windstorm coverage with the TWIA and/or another carrier; and

WHEREAS, the cost for renewal with Ventus Risk Management and Lloyd's of London is \$261,532.00 which is the same amount as the current year. Buildings covered by this insurance are Charles T. Doyle Convention Center/Nessler Center, Matthew T. Doyle Natatorium/Lowry Fitness Center, and Texas City Museum.

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 payment of invoice to Victor Insurance Managers Inc. in the amount of \$261,532.00 for windstorm coverage for the period August 2, 2024, through August 2, 2025.

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

PASSED AND ADOPTED this 18th day of December 2024.

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